COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
September 30, 2020

Prepared by:

Business Services Department

City of Mansfield, Texas
Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020

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MANSFIELD
TEXAS

1200 E. Broad Street
Mansfield, Texas 76063
817-276-4200

March 18, 2021

To the Honorable Mayor,
Members of City Council, and
Citizens of the City of Mansfield, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Mansfield, Texas (the City) for the fiscal year ended September 30, 2020.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by BKD, LLP, a firm of licensed certified public accountants. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering unmodified opinions that the City's financial statements for the fiscal year ended September 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City, incorporated in 1890, is located in the southeastern portion of Tarrant County, with small areas of the City extending into Johnson and Ellis counties, and is considered to be one of the top growth areas in the Dallas/Fort Worth Metropolitan Area (Metroplex). The City currently occupies a land area of 36.69 square miles and serves an approximate population of 75,759. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City is a home rule-city and operates under the council-manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a nonpartisan, at-large basis. Council members serve three-year staggered terms so that at least two members are elected every year. The Mayor and each Council member, unless sooner removed under the provisions of the City Charter, hold office until a qualified successor is elected. Regular terms of office commence at the beginning of the first regular meeting of the Council in May or following the final election as provided in Section 4.05 (Charter Amendment of August 11, 1979).

This report includes all funds of the City. The City provides a full range of services. These services include police and fire protection; sanitation services; the construction and maintenance of highways, streets, traffic engineering, and infrastructure; planning and zoning; general administrative services; water treatment and distribution; sewer service; drainage enhancements and improvements; and recreational and cultural activities. In addition to general government activities, the Mansfield Park Facilities Development Corporation and the Mansfield Economic Development Corporation are required to be included in the City's reporting entity. For additional information, see note I. A. of the notes to financial statements.

The annual budget serves as the foundation for the City's financial planning, financial policies, and financial control. All agencies of the City are required to submit requests for appropriation to the City Manager. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review prior to September 1. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than September 15. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police). However, the statutory authority or legal level of control for the authority of annual expenditures is appropriated at the fund level by the City Council. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the governing council, if requested by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 98 as part of the required supplementary information. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the combining and individual fund statements and schedules section, which starts on page 102.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local Economy

The City currently enjoys a favorable economic environment and local indicators point to continued stability even though the national economy has been struggling from the pandemic. The region has a varied manufacturing and industrial base that adds to the relative stability of the unemployment rate. The current unemployment rate is below the national average.

Industry

Mansfield has a large industrial area within the City with rail service and adequate water storage to meet fire protection and other demands. The City is not financially dependent upon any one industry or type of industry. See page 118 in the Statistical Section for further information on principal taxpayers. The City recognizes the value of industry to its economic base and continues to seek industry that will be beneficial to the City. Beginning in fiscal year (FY) 1997, the Mansfield Economic Development Corporation, funded by a 1/2 cent sales tax, provides funds for economic development, including financial incentives, infrastructure needs, and tax relief through the City in the recruitment and retention of industry. Recent accomplishments in locating and expanding major businesses such as Texas Health Resources hospital, AMC warehouse, Mouser Electronics and Hoffman Cabinets are indicative of the accomplishments of the economic development program.

Transportation

The City is traversed east and west by U.S. Highway 287, and north and south by State Highway 360. The City has direct access to Interstate Highway 20 and Interstate Highway 30. Railroad freight service is provided by Union Pacific Railroad. The City is located approximately 30 miles south of the Dallas/Fort Worth International Airport.

Education

The City is served by the Mansfield Independent School District which consists of one pre-kindergarten academy; 23 elementary schools with grades pre-kindergarten through 4; six intermediate schools with grades 5 and 6; one STEM Academy, six middle schools for grades 7 and 8; five high schools with grades 9 through 12; one high school with grades 11 and 12; one career & technology academy; one early college high school and one alternative campus. Enrollment for the 2019/2020 school year was approximately 35,485. Colleges within close proximity to the City are Tarrant and Dallas County Community Colleges, Southern Methodist University, Dallas Baptist University, University of Dallas, University of North Texas, Texas Women's University, University of Texas at Dallas, University of Texas at Arlington, and Texas Christian University, all of which are well known for their educational standards.

Medical Services

Full service medical service is provided by Methodist Health System, and limited-service care is provided by Vencor Hospital and Cook Children's Clinic. Texas Health Hospital Mansfield opened in December 2020. Other full-service hospitals in the immediate area include Medical Center of Arlington, Arlington Memorial Hospital, Hughley Memorial Medical Center, Harris Methodist Hospital, Cook Children's, and John Peter Smith Hospital.

Area Economic Condition

Mansfield, located in the Dallas/Fort Worth Metroplex, and included as one of the 13 cities that comprise the Mid-Cities, continues to grow and develop. The overall outlook for Mansfield in the future is positive. The City is traversed by State Highway 360 and U.S. Highway 287.

The major benefits to the City of State Highway 360 are as follows: direct north and south access to the Dallas/Fort Worth International Airport in 20 minutes; the potential of expanding the City's commercial/industrial and residential developments along the corridor of State Highway 360, as well as the numerous industrial parks located within the close proximity of State Highway 360 and U.S. Highway 287 intersection.

Over the past several years, the City and the local economy have experienced increasing property values and sales tax revenues. Current real estate values are trending upward, and the City is continuing to experience positive growth in residential, industrial, and commercial properties.

Long-Term Financial Planning

The City of Mansfield, Texas has a long-term financial plan that includes ten years of projected financial data. The plan is intended to guide management in the daily decisions of managing the City's business matters and long-term capital projects. The plan assembles the visions of City Council, Management and City Staff, into a working plan that allows the vision of the City to be implemented over the course of time. The plan includes variables that allow for current and projected economic factors including:

- Review population growth projections
- Identify potential high-growth areas
- Specify major infrastructure improvements
- Analyze the financial impact of the improvements
- Comprehensive planning documents, Land Use Plan, Thoroughfare Plan, Water & Sewer master plan

The Council adopted the plan in November 2000, and it has been revised, modified, and amended since the original adoption of the plan.

Awards and Acknowledgments

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended September 30, 2019. This was the 33rd consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the government also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated October 1, 2019. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

Joe Smolinski
City Manager

Troy Lestina
Director of Finance

Bryan Rebel
Assistant Director of Finance

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Mansfield
Texas

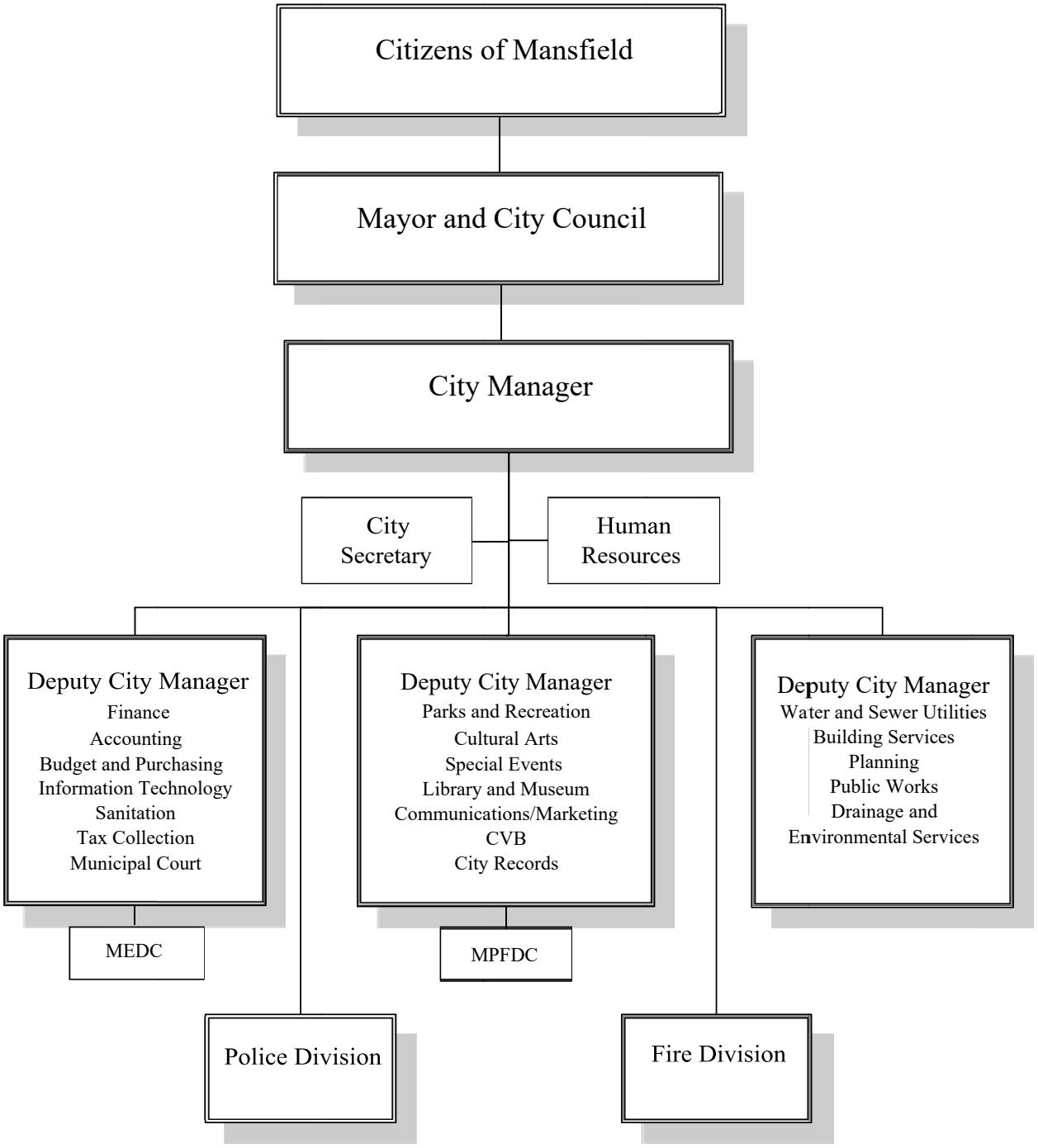
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morrill

Executive Director/CEO

City of Mansfield, Texas Organizational Chart



CITY OF MANSFIELD, TEXAS

PRINCIPAL OFFICERS

SEPTEMBER 30, 2020

MAYOR

Dr. Michael Evans, Sr.

MAYOR PRO TEM

Julie Short

CITY COUNCIL

Mike Leyman
Casey Lewis
Tamera Bounds
Todd Tonore
Larry Broseh

CITY MANAGER

Joe Smolinski

DIRECTOR OF FINANCE

Troy Lestina

ASSISTANT DIRECTOR OF FINANCE

Bryan Rebel

BKD
CPAs & Advisors

14241 Dallas Parkway, Suite 1100 | Dallas, TX 75254-2961
972.702.8262 | Fax 972.702.0673 | bkd.com

Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mansfield, Texas (City) as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

PRAXITY
Empowering Business Globally

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The 2019 financial statements for fiduciary funds, before they were restated for the matters discussed in Note 1, were audited by other auditors, and their report thereon date February 6, 2020, expressed unmodified opinions on those financial statements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, statistical section and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Dallas, Texas
March 18, 2021

Management's Discussion and Analysis

As management of the City of Mansfield, Texas (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The City's net position or assets and deferred outflows less its liabilities and deferred inflows at the close of the City's fiscal year is approximately $513 million.

- The City recognized approximately $190 million in revenue from various sources of taxes, services, and capital contributions and recognized approximately $141 million in expenses in servicing the City's governmental and business enterprises.

- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of approximately $83 million. Approximately 27% of this $83 million is available for spending at the City's discretion (unassigned fund balance).

- At the end of the current fiscal year, unassigned fund balance for the general fund was approximately $22 million or 33% of total general fund expenditures.

- The City and MEDC's total debt obligations (excluding premiums and discounts) increased by $6.975 million (2.96%) during the current fiscal year. This is from approximately $28.72 million in new bond proceeds offset by $21.75 million in scheduled principal payments and payments to escrow agents during the year. The key factors affecting the City's debt position are as follows:

  Certificates of Obligation of $10.378 million for the purpose of street improvements and other public purposes.

  Certificates of Obligation of $6.339 million for the purpose of fire station #5 construction.

  Certificates of Obligation of $1.709 million for the purpose of design of police station.

  Certificates of Obligation of $.75 million for the purpose of restoring a historical building.

  Certificates of Obligation of $1.0 million for the purpose of library modification.

  Certificates of Obligation of $4.049 million for the purpose of equipment replacement.

  General Obligation Refunding of $4.475 million for the purpose of refunding 2009-2011 bonds.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on the City's assets and deferred outflows of resources less liabilities and deferred inflows of resources as the City's net financial position, or remaining net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and culture and recreation. The business-type activities of the City include a Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Mansfield Parks Facilities Development Corporation, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government. The City has two Tax Increment Financing Reinvestment Zones (TIRZs), both legally separate entities, which are geographically defined regions within the City limits established by the City. The purpose of the reinvestment zone is to pay for the public's infrastructure to be owned by the City within the region. The TIRZs are an integral part of the primary government. The City has a public improvement district - South Pointe Public Improvement District. The City established the public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, the street construction fund, the building construction fund, Mansfield Parks Facility Development Corporation, and the TIRZ Fund Number 1, all of which are considered to be major funds. Data from the other 6 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

Proprietary Funds

The City maintains three different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, the Law Enforcement Center Fund, and the Drainage Utility Fund, all of which are considered to be major funds of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

The City adopts an annual appropriated budget for its general fund and both debt service funds. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget. In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by $513,409,317 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position (93.16%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current and other	$ 98,313,491	$ 69,936,605	$ 48,466,483	$ 52,476,271	$ 146,779,974	$ 122,412,876
Capital	453,053,593	434,803,657	222,046,603	202,839,592	675,100,196	637,643,249
Total assets	551,367,084	504,740,262	270,513,086	255,315,863	821,880,170	760,056,125
Deferred outflows:	18,641,654	20,231,266	6,146,241	7,282,378	24,787,895	27,513,644
Liabilities:						
Long-Term	263,028,465	248,227,826	50,732,461	60,201,546	313,760,926	308,429,372
Other	8,393,645	7,630,988	4,288,459	4,019,120	12,682,104	11,650,108
Total liabilities	271,422,110	255,858,814	55,020,920	64,220,666	326,443,030	320,079,480
Deferred inflows:	5,533,448	2,225,824	1,282,270	319,688	6,815,718	2,545,512
Net investment in capital assets	291,725,686	255,292,846	186,573,687	164,254,085	478,299,373	419,546,931
Restricted	27,153,749	37,150,376	16,047,528	13,689,966	43,201,277	50,840,342
Unrestricted	(25,826,255)	(25,556,332)	17,734,922	20,113,836	(8,091,333)	(5,442,496)
Total net position	$ 293,053,180	$ 266,886,890	$ 220,356,137	$ 198,057,887	$ 513,409,317	$ 464,944,777

As of September 30, 2020, a portion of the City's net position, $43,201,277 or (8.41)% represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position of ($8,091,333) is unavailable for use as this amount represents current and future uses of unrestricted assets. The current use and future use of assets, deficit balance, occurred from the implementation of the Government Accounting Standards Board's guidance on postemployment benefits. Total net position of the City is $513,409,317.

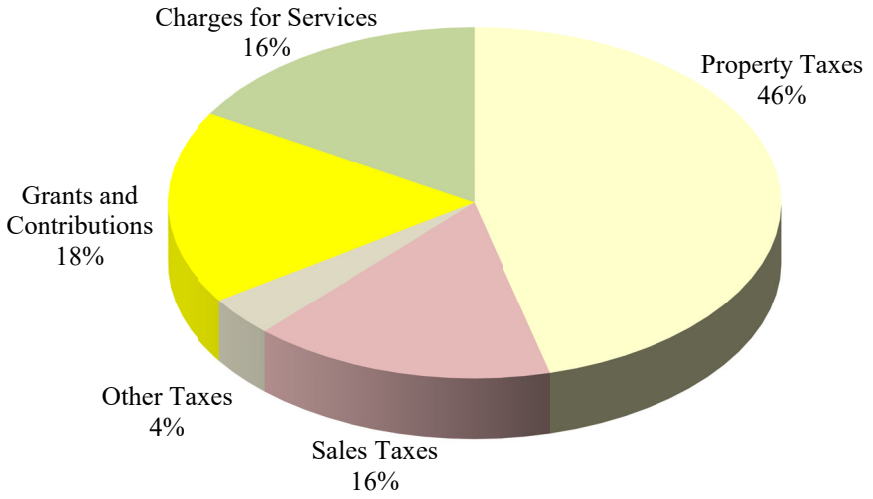
City's Changes in Net Position

	Governmental Activities		Business Activities		Total	
	2020	2019	2020	2019	2020	2019
Beg - Net Position	$ 266,886,890	$ 262,796,786	$ 198,057,887	$ 185,316,485	$ 464,944,777	$ 448,113,271
Revenues	$ 130,600,601	$ 102,514,214	$ 59,198,437	$ 52,215,037	$ 189,799,038	$ 154,729,251
Expenses	103,615,248	99,182,904	37,719,250	38,714,841	141,334,498	137,897,745
Transfers, net	(819,063)	758,794	819,063	(758,794)	-	-
Net Change in Position	26,166,290	4,090,104	22,298,250	12,741,402	48,464,540	16,831,506
End - Net Position	$ 293,053,180	$ 266,886,890	$ 220,356,137	$ 198,057,887	$ 513,409,317	$ 464,944,777

Governmental Activities

City governmental activity revenue for fiscal year 2020 increased $28.1 million from fiscal year 2019. Revenues in fiscal year 2019 were $102.5 million compared to this fiscal year revenue of $130.6 million. The largest increase was $13.3 million in grants and capital contributions related to COVID-19 grant funds and contributions from developers constructing new developments. The City received $7.6 million in additional property taxes related to an increase in valuations and new homes and $1.7 million in sales tax attributable to new developments opening.

Governmental Activities - Revenues by Source for fiscal year ending 2020



Expenses in fiscal year 2020 compared to expenses in fiscal year 2019 increased by 4.47% or $4.4 million. The demand for services increased expenses in fiscal 2020 compared to prior year. The increases occurred in public safety primarily due to added new personnel and this department represents the greatest number of employees working for the City.

The public works program of the City spends most of its money on street improvements, which are recognized over the course of time through depreciation expense after the improvements have been capitalized. In fiscal 2020, the City recognized $12.6 million in depreciation expense for street-related assets compared to $12.1 in fiscal 2019. Street improvements are expected to last twenty-five years with the appropriate level of maintenance and repair. This year, the City spent over $4.4 million in maintenance and repairs on its 622 plus miles of linear streets. The decrease in public works was related to halting non-critical expenditures to assess the impact of COVID-19.

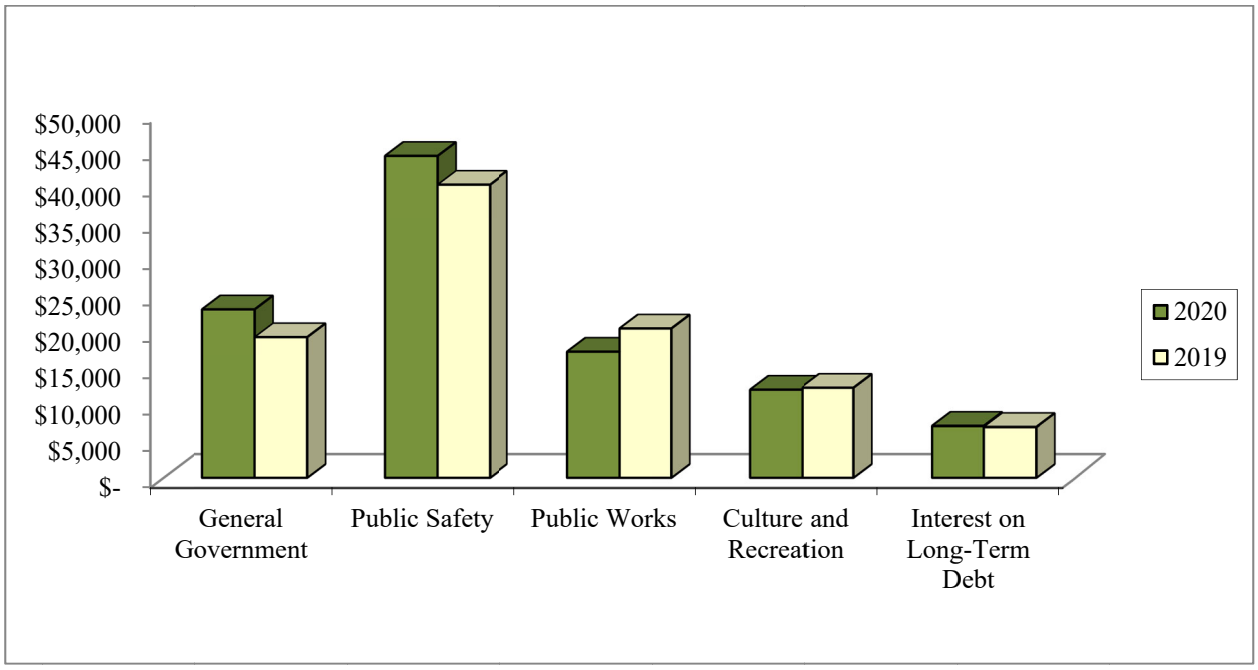
This year the City recognized $7.1 million in interest, amortization and associated issuance costs. Interest expense is the cost the City incurs for borrowing money to make long-term improvements that are generally regarded as long-term assets of the City.

This fiscal year, the Governmental activities increased the City's net position by $26.2 million. The increase in the City net position primarily occurred because of an increase in capital contributions received by the City in the amount of $10.4 million and an increase in all tax categories collected of $8.9 million.

City's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
REVENUES -						
Program Revenues:						
Charges for Services	$20,630,815	$16,417,313	$50,574,870	$47,603,707	$71,205,685	$64,021,020
Operating Grants and Contributions	3,644,625	364,704	-	-	3,644,625	364,704
Capital Grants and Contributions	19,568,637	9,190,904	8,365,459	3,968,414	27,934,096	13,159,318
General Revenues:						
Property taxes	58,969,473	51,392,861	-	-	58,969,473	51,392,861
Sales taxes	22,552,355	18,724,296	-	-	22,552,355	18,724,296
Other taxes	4,676,401	5,096,239	-	-	4,676,401	5,096,239
Other	558,295	1,327,897	258,108	642,916	816,403	1,970,813
Total Revenues	130,600,601	102,514,214	59,198,437	52,215,037	189,799,038	154,729,251
EXPENSES -						
General government	23,086,899	19,297,584	-	-	23,086,899	19,297,584
Public safety	44,182,742	40,252,978	-	-	44,182,742	40,252,978
Public works	17,310,005	20,480,928	-	-	17,310,005	20,480,928
Culture and recreation	11,982,897	12,247,607	-	-	11,982,897	12,247,607
Interest on debt	7,052,705	6,903,807	-	-	7,052,705	6,903,807
Water and Sewer	-	-	30,961,628	29,855,512	30,961,628	29,855,512
Law Enforcement	-	-	5,266,351	7,478,718	5,266,351	7,478,718
Drainage	-	-	1,491,271	1,380,611	1,491,271	1,380,611
Total Expenses	103,615,248	99,182,904	37,719,250	38,714,841	141,334,498	137,897,745
Before transfers	26,985,353	3,331,310	21,479,187	13,500,196	48,464,540	16,831,506
TRANSFERS, net	(819,063)	758,794	819,063	(758,794)	-	-
Change in net position	26,166,290	4,090,104	22,298,250	12,741,402	48,464,540	16,831,506
Net Position, Beginning	266,886,890	262,796,786	198,057,887	185,316,485	464,944,777	448,113,271
Net Position, Ending	$293,053,180	$266,886,890	$220,356,137	$198,057,887	$513,409,317	$464,944,777

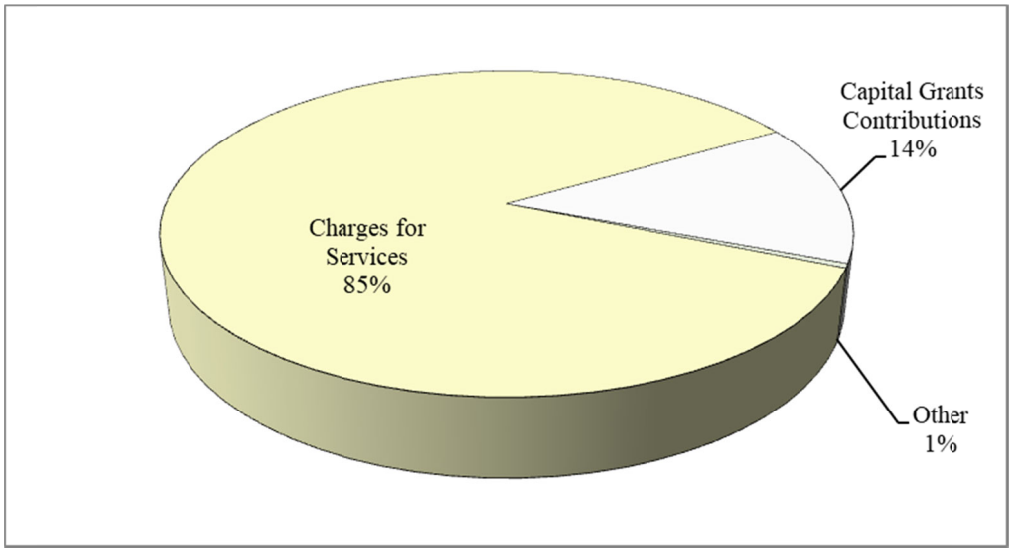
Governmental Activities – Expenses (in thousands)



Business-Type Activities

Revenues exceeded expenses for the City's business-type activities in fiscal year 2020. Total revenues including capital contributions were approximately $59.2 million and total expenses including interest expense were approximately $37.7 million while equity transfers were approximately $0.8 million which added approximately $22.3 million to the Business-Type's net financial position. This increased the net position of the business-type activities from approximately $198.1 million to approximately $220.4 million by the end of fiscal year 2020.

Business-Type Activities – Revenues by Source for fiscal year ending 2020



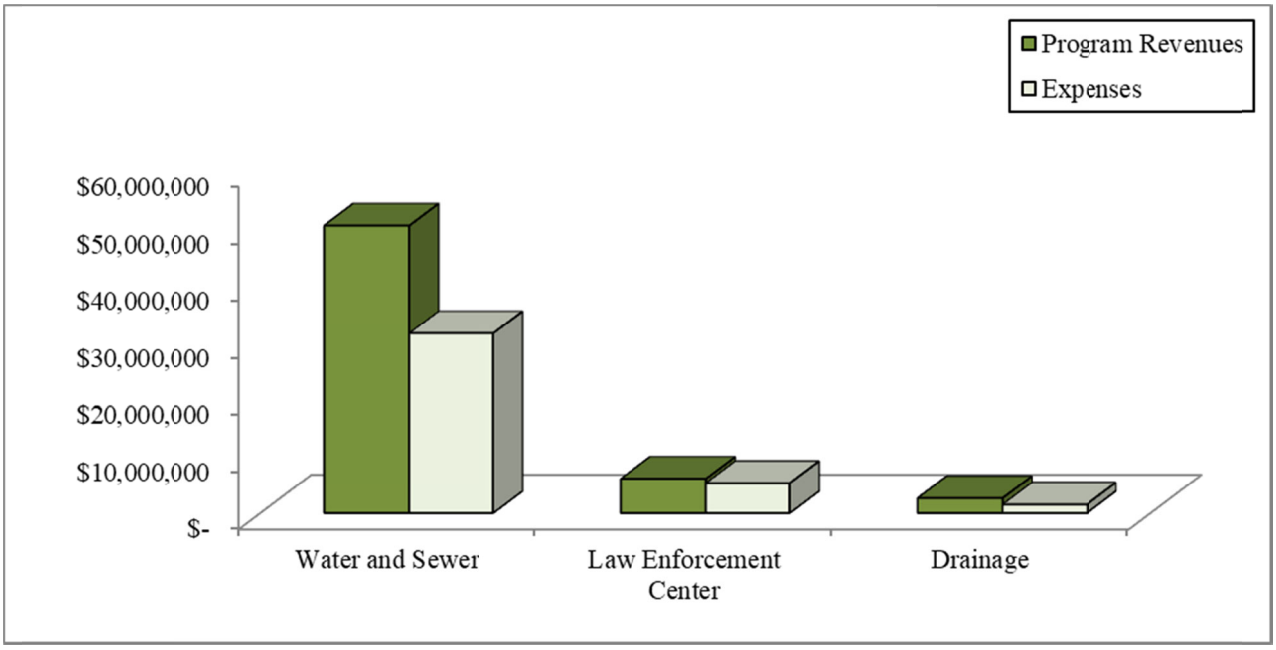
Comparatively, Business-Type Revenues exceeded prior year Business-Type Revenues by 13.37% or $7.0 million. Revenues including capital contributions for fiscal year 2020 were approximately $59.2 million and revenues including capital contributions for fiscal year 2019 were approximately $52.2 million. Expenses including interest for fiscal year 2020 were approximately $37.7 million before equity transfers of approximately ($0.8) million and expenses including interest expense for fiscal year 2019 were approximately $38.7 million before equity transfers of approximately $0.8 million. The increase in net position was primarily the result of the activity of the City's Water & Sewer Fund as the financial results of the City's other Business-Type Funds, Law Enforcement Center Fund, and Drainage Utility Fund, for fiscal year 2020 was 20% of the change in the net position of the City's Business-Type Activities.

Capital contributions have been a revenue source for the Business-Type Activities. These capital contributions are from the public improvements donated by developers. The City requires developers to pay for the cost of public improvements or infrastructure needed to support their developments, and in fiscal year 2020, developers contributed public improvements or assets of $8.4 million. These assets are considered revenue in the year of acceptance or in the year of contribution. Generally, these capital contributions are non-cash contributions from developers and are in the form of water and sewer lines which are conveyed to the City as the developer finishes the developments.

The City's Law Enforcement Center charges a fee for the services rendered to support the contracts that the City has with other governmental agencies for the housing of inmates. These fees are recognized as Charges for Services in the Business-Type Activities and are used to pay for the cost of housing inmates in this Business-Type Activity.

The City's Drainage Utility charges a fee for the maintenance and continuance of the drainage improvement program of the City. The City has drainage basins that require extensive maintenance. The fee is used to service the improvement cost, debt service, and annual maintenance of the basins.

Business-Type Activities - Program Revenues and Expenses for fiscal year ending 2020



Financial Analysis of the Government's Funds

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $83,071,802, an increase of $24,684,670 in comparison with the prior year. The majority of the increase is from the issuance of bonds and those proceeds have and will be used to construct infrastructure and purchase equipment. Approximately 26.69% or $22,175,012 of the ending fund balance of $83,071,802 constitutes unassigned fund balance and is available for spending at the government's discretion. The remainder of fund balance is dedicated for legally specific or defined purposes. To indicate that it is not available for new spending because it has already been committed, defined or legally restricted for specific purposes, the City has labeled the remaining fund balances as follows: 1) restricted for debt service or for future construction contracts, $58,698,269 and 2) for committed purposes, $2,198,521, such as park improvements.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the general fund was $22,187,299. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance and total fund balance represent approximately 33% of total general fund expenditures for fiscal year 2020.

The City's General Fund unassigned fund balance and fund balance increased $4,777,993 in fiscal year 2020. The key reasons for the increases are as follows:

- Actual revenues exceeded actual expenditures by $5,296,921 in the general fund.

- Other Sources of revenue included the Water and Sewer Utility Fund's payment in-lieu of taxes to the City's General Fund for the use of the City's right of way. This amount was $1,667,461 in fiscal year 2020. The General Fund transferred $2,486,524 to the LEC to help cover the cost of operations.

The debt service fund has a fund balance of $3,888,921, which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was $2,191,230 because of an increase in property tax revenue. The City pays for tax-pledged debt through the Debt Service Fund.

The street construction fund balance decreased by $1,701,455 during fiscal year 2020. This fund's fund balance decreased as a result of construction payments of $9,405,739 for the improvement of major streets and neighborhood streets in and throughout the City offset somewhat by bonds issued and contributions received. Other activity within the street construction fund included additional revenues from development fees charged by the City for the impact or costs that new development has on primary streets within the City. The fee generated $3,260,451 in fiscal year 2020.

Fund balance in the building construction fund increased $10,093,262. The fund issued bonds totaling $13,380,849 and expended $3,190,055 on the construction of Fire Station #5, Man House Museum renovation, and other public facilities.

The Mansfield Parks Facility Development Corporation (MPFDC) fund balance increased by $814,220 during the fiscal year 2020. The fund balance increase is a result of increase in sales tax revenue.

TIRZ #1 spent $0 for infrastructure improvements in the tax increment reinvestment zone.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position (deficit) of the Water and Sewer Fund at the end of the year amounted to $17,659,814, for the Law Enforcement Center amounted to ($4,253,570), and for the Drainage Utility Fund amounted to $4,328,678. Factors affecting the performance of these activities are as follows:

- The City treats lake water and sells it to consumers for a fee. In fiscal year 2020, Water and Sewer revenue increased $2,224,012 or 6.70%, due to increase in new connects to the system and a water and sewer fee increase in fiscal year 2020.

- During fiscal year 2020, the City distributed 5.0 billion gallons of water while billing customers for 4.9 billion gallons of water usage or 98.0% of the actual plant's production. In fiscal year 2019, the City billed for 4.0 billion gallons of water usage compared to actual plant production of 4.7 billion. Actual water and sewer revenue in fiscal year 2020 increased compared to fiscal year 2019. Actual water and sewer revenue in 2020 was $35.4 million compared to $33.2 million in fiscal 2019. Distribution of water in fiscal year 2020 was fairly consistent with distribution in fiscal year 2019 with the increase attributable to the increase in total number of customers year over year by 454 new accounts. The water and sewer activity of the business-type activities produced operating income of $11.9 million for fiscal year 2020 as compared to $9.6 million in fiscal year 2019.

- Unrestricted net position decreased in the Water and Sewer Fund by ($6,691,245). Operating expenses increased $1,388,700 over last year, excluding depreciation. Operating expenses are controlled through the direct administration of personnel costs and variable costs, which are directly caused by consumers' demand for the water. The City spent $5,798,582 for raw water in fiscal year 2020 compared to $5,667,444 in fiscal year 2019, and the City spent $7,360,531 to treat the City wastewater in fiscal 2020 compared to $7,372,667 in fiscal year 2019. The cost for raw water increased year over year by $131,138 while the cost to treat used water decreased year over year by ($12,136). The remaining decrease in unrestricted net position is a result of funding capital projects through operations rather than debt.

- The Law Enforcement Center Fund had an operating income of $766,314 this fiscal year. The operating income is attributable to a reduction of expenses from FY19.

- During the fiscal year 2020, City Council and City Management made the decision to cease operations the Law Enforcement Center in FY21.

- The Drainage Utility Fund revenue had operating income of $1,240,551 this fiscal year. Drainage Fees were $2,584,618 and operating expenses excluding depreciation were $1,190,321.

Budgetary Highlights

General Fund

The City opted to compare the final budget to the actual amounts for comparative purposes. The differences can be briefly summarized as follows:

Revenue results exceeded budgeted estimates by $5,918,893 for fiscal year ended 2020:

- Property Taxes were below budgeted estimates by $1,288,845 as collections were less than anticipated. Property valuations improved year over year which has improved overall property tax revenue compared to prior year; however, collections were anticipated to be greater than actual collections.

- Sales Taxes exceeded budgeted projections by $649,639 due to new developments openings that created new sales tax collections.

- Licenses and permits exceeded budgeted estimates by $482,157. The City's building permit revenues were above expectations because of the economic recovery in the residential construction sector in the area; although the City's economy performed well during the great recession, development has generally improved in the area because the region has been improving.

- Intergovernmental revenue over budget by $2,989,497 due to unexpected grant revenue that was awarded to the City in fiscal year 2020. Most of the grant revenue received by the City in fiscal year 2020 was COVID-19 Relief Funds.

- Charges for services exceeded budgeted estimates by $2,483,070 as the majority of the better than expected revenue was derived from the collection of additional inspections fees for developments within the City.

- The most significant expenditure of the City was human capital. Management has been effective in maintaining the human capital costs of the organization. Public safety was over budget due to COVID-19 related expenditures. With the other financing sources and uses activity included with the operational activity, the City's revenue exceeded its expenditures for the fiscal year by $4.8 million. The City was over the overall budget of expenditures (including transfers out) of $68,247,371 by $1.6 million due to an increase in public safety expenditures related to COVID-19.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to $675,100,196 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

City's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	$107,685,098	$107,685,098	$2,700,790	$2,271,603	$110,385,888	$109,956,701
Buildings and system	90,939,691	92,575,924	143,702,014	146,944,961	234,641,705	239,520,885
Improvements	9,209,664	10,391,300	2,322,111	2,368,225	11,531,775	12,759,525
Machinery and equipment	10,145,945	9,922,077	1,547,110	1,669,371	11,693,055	11,591,448
Infrastructure	215,641,741	201,407,087	51,942,801	44,858,158	267,584,542	246,265,245
Construction in progress	19,431,454	12,822,171	19,831,777	4,727,274	39,263,231	17,549,445
Total	$453,053,593	$434,803,657	$222,046,603	$202,839,592	$675,100,196	$637,643,249

Governmental Capital Assets

Roadway expansion and improvements remain a primary element of the City's public works program. In 2020, several major arterial thoroughfares in the City were widened to provide access to Mansfield's developing retail centers. Mansfield has leveraged future tax revenue with general obligation bonds and anticipated the collection of roadway impact fees to pay for an expected $100 million in new street improvements over the next 10 years.

Street projects in fiscal year 2020:

- The City continued to improve Seeton Rd. and South Main St. Other road improvements include the completion of Debbie Lane from FM 157 to US 287.
- Several small arterial streets are under construction and design throughout neighborhoods.
- In total, the City spent $9,405,739 in street improvements and related work during fiscal year 2020.

Most of the capital assets that were added to construction in progress or the asset base of the City during fiscal year 2020 were planned or budgeted expenditures during fiscal year 2020. The City plans its asset expansion with deliberate budgetary control and oversight as these costs are substantial and have a significant effect on the operational cost and performance of the City.

Business-Type Assets

The City's municipally owned and operated water and sewer system has maintained its superior rating by the Texas Commission on Environmental Quality. Approximately 21% of the City's more than $72 million water/sewer improvement tab is expected to be paid by impact fees over the next ten years. These fees are designed to reduce the system's initial costs in building and running water and sewer lines to the user. These impact fees must be used for capital purposes and are restricted as to use by law. Business-type capital assets increased approximately $19.2 million from the previous year. Current major projects in progress include a new clear well ($9.4 million project to date) and elevated storage tank ($4.2 million project to date) to increase storage capacity within the system.

The City's drainage program had some improvements this year which were mostly related improving systems detention basins. The City has spent over $7.7 million on the drainage improvements as of September 30, 2020.

For additional information on the City's capital assets, see note III.C. of the basic financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total principal outstanding of $243,015,000. Of this amount, $152,745,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City's Component Unit, Mansfield Economic Development Corporation, MEDC, has $23,430,000 in outstanding debt backed by a voter passed sales tax.

City's Outstanding Debt - Tax Obligations and Revenue Bonds

	Governmental Activities	Business-Type Activities	Component Unit MEDC	Total
Security Instrument:				
Tax obligation bonds	$ 152,300,000	$ 445,000	$ -	$ 152,745,000
Sales tax revenue bonds	33,445,000	-	23,430,000	56,875,000
Revenue bonds	-	33,395,000	-	33,395,000
Total	$ 185,745,000	$ 33,840,000	$ 23,430,000	$ 243,015,000

The City's total debt increased $6,975,000 or 2.96% during the current fiscal year. Key factors for the increase are from the issuance of additional bonds, which were offset by principal payments on existing outstanding debt. The City issued $28,720,000 in new bonds proceeds. The City maintains bond ratings from three rating agencies:

Company	General Fund Bonds	Water and Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aa2"	"Aa2"	"Aa3"	"Aa2"
Standard & Poor's	"AAA"	"AA+"	"A+"	"AA"
Fitch	"AA+"	"AAA"	"AA+"	"AAA"

For additional information on the City's debt obligations, see note III. H, of the basic financial statements.

The City Charter of the City and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 populations, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. The City operates under a Home Rule Charter, which also imposes a limit of $2.50. The FY 2019/2020 Property Tax Rate was $0.71000 per $100 valuation with a tax margin of $1.79000 per $100 valuation based upon the maximum ad valorem tax rate noted above. Additional revenues up to $142,940,628, per year could be raised before reaching the maximum allowable tax base on the current year's appraised net taxable value of $7,985,509,946.

Economic Factors: Next Year's Budgets and Rates

The City Economy

- New residential developments that include approximately 6,094 single family homes are in some phase of platting, design, or construction. The City's tax year is one year in arrear; the housing starts in 2020 are for budget year or fiscal year 2022.

- The City's annual growth in property valuation has increased 10% annually on average for the past ten years. For fiscal year 2021, the City's valuations are expected to increase 7.20% and 7.13%, respectively. Generally, the City has weathered COVID-19 and property valuations are expected to remain strong in fiscal 2021 and into 2022. The valuations are expected to remain strong due to residential growth, the City is a good place to live as crime is low, school ratings are fairly high, land is affordable and the City's proximity to Dallas and Fort Worth. The City is developing a discernable and identifiable character of being a place to enjoy a good quality life. These intangible characteristics developed recently - over the last decade. The City is also seeing the continued demand for commercial

development because of the significant discretionary spending ability of its residents and the relatively stable economy within the City.

- Sales tax revenue is expected to increase with the new residential development and will grow annually; like property valuations, the City has adjusted its projections of anticipated sales tax receipts in 2021 and 2022. The expected budgeted sales tax receipts in 2021 are anticipated to exceed actual collections of 2020 by 1%. Management is monitoring the collections of sales tax revenue and may modify projections into 2021 depending upon the overall economy.

- Retail developments continue into 2021 and 2022. The challenge has been the effect of the national economy and the ability of companies and businesses to obtain capital financing. The City has taken an aggressive position in continuing development in the City because of the support for continued retail development and the community's expectation of additional retail. Development is expected to continue and new property valuations are expected from these developments.

- Median income continues to be an attractive asset for additional development and many in the development community are planning on capturing this income through commercial developments.

- The City has developed stringent building standards that require sustainable developments to assist in extending the asset life of the tax base into the future.

- Efforts have been made to revitalize the City's downtown. The area has suffered in past years from the lack of commerce and trade. The City has created a reinvestment zone to restore and generate new development in this area of the City. The City has purchased land and offered incentives to businesses for locating their new operations in the downtown area. The area is beginning to show signs of growth from the efforts and incentives.

These variables were considered in preparing the City's budget for the 2021 fiscal year.

The City's 2021 General Fund Operating Revenue Budget increased approximately 4% over the fiscal year 2020 budget. Most of this revenue growth was from new development in the City that generated additional property tax and sales tax revenue. The tax rate is $0.69 per $100 in assessed valuation of property within the City limits and a 10% homestead exemption for fiscal year 2021. Any additional appropriations made during fiscal year 2021 will be offset through the management of the operating expenditures of the General Fund during the course of fiscal year 2021.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Mansfield, 1200 E. Broad Street, Mansfield, Texas 76063. Questions may also be directed to 817-276-4296.

City of Mansfield, Texas
Statement of Net Position
As of September 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	MEDC
ASSETS				
Cash and cash equivalents and investments	$ 88,233,112	$ 27,213,745	$ 115,446,857	$ 4,574,782
Receivables (net of allowance for uncollectibles)	7,164,269	5,119,077	12,283,346	1,255,886
Lease receivable	2,916,110	-	2,916,110	-
Inventories	-	585,592	585,592	-
Restricted assets:				
Cash and cash equivalents and investments	-	15,548,069	15,548,069	5,118,546
Capital assets (net of accumulated depreciation):				
Land	107,685,098	2,700,790	110,385,888	10,272,190
Buildings and systems	90,939,691	143,702,014	234,641,705	-
Improvements other than buildings	9,209,664	2,322,111	11,531,775	87,915
Machinery and equipment	10,145,945	1,547,110	11,693,055	-
Infrastructure	215,641,741	51,942,801	267,584,542	-
Construction in progress	19,431,454	19,831,777	39,263,231	19,429,410
Subtotal capital assets	453,053,593	222,046,603	675,100,196	29,789,515
Total assets	551,367,084	270,513,086	821,880,170	40,738,729
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	3,925,424	918,061	4,843,485	34,635
Deferred OPEB contributions	2,015,324	431,535	2,446,859	13,856
Deferred investment losses	363,190	77,619	440,809	2,482
Deferred assumption changes	247,949	57,988	305,937	2,187
Deferred actuarial experience	9,732,418	2,131,588	11,864,006	71,609
Deferred loss on refunding	2,357,349	2,529,450	4,886,799	92,602
Total deferred outflows of resources	18,641,654	6,146,241	24,787,895	217,371
LIABILITIES				
Accounts payable and other current liabilities	8,393,645	1,670,975	10,064,620	595,451
Liabilities payable from restricted assets	-	2,617,484	2,617,484	-
Noncurrent liabilities:				
Due within one year	15,457,302	4,274,783	19,732,085	1,854,241
Due in more than one year	188,976,174	33,854,237	222,830,411	22,545,878
Net pension liability	17,108,045	4,001,161	21,109,206	150,947
Net OPEB liability	39,127,246	8,362,237	47,489,483	267,439
Total OPEB liability - SDBF	1,026,365	240,043	1,266,408	9,056
Unearned prepaid rent	1,333,333	-	1,333,333	-
Total liabilities	271,422,110	55,020,920	326,443,030	25,423,012
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	913,346	198,985	1,112,331	6,616
Deferred investment gains	4,095,397	957,814	5,053,211	36,134
Deferred actuarial experience	515,637	113,083	628,720	3,809
Deferred gain on refunding	9,068	12,388	21,456	-
Total deferred inflows of resources	5,533,448	1,282,270	6,815,718	46,559
NET POSITION				
Net investment in capital assets	291,725,686	186,573,687	478,299,373	10,332,716
Restricted for:				
Debt Service	4,577,535	4,275,441	8,852,976	231,475
Capital Projects	17,205,737	11,772,087	28,977,824	-
Courts	467,865	-	467,865	-
Parks	3,765,957	-	3,765,957	-
Grants	102,481	-	102,481	-
Tourism	1,034,174	-	1,034,174	-
Unrestricted	(25,826,255)	17,734,922	(8,091,333)	4,922,338
Total net position	$ 293,053,180	$ 220,356,137	$ 513,409,317	$ 15,486,529

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas

Statement of Activities

For the Year Ended September 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: MEDC
Primary government:								
Governmental activities:								
General government	$ 23,086,899	$ 8,389,958	$ 3,313,742	$ -	$ (11,383,199)	$ -	$ (11,383,199)	$ -
Public safety	44,182,742	3,349,397	327,823	-	(40,505,522)	-	(40,505,522)	-
Public Works	17,310,005	4,911,459	-	19,568,637	7,170,091	-	7,170,091	-
Culture and recreation	11,982,897	3,980,001	3,060	-	(7,999,836)	-	(7,999,836)	-
Interest on long-term debt	7,052,705	-	-	-	(7,052,705)	-	(7,052,705)	-
Total governmental activities	103,615,248	20,630,815	3,644,625	19,568,637	(59,771,171)	-	(59,771,171)	-
Business-type activities:								
Water	22,511,641	28,605,359	-	3,885,139	-	9,978,857	9,978,857	-
Sewer	8,449,987	13,338,839	-	4,480,320	-	9,369,172	9,369,172	-
Law enforcement center	5,266,351	6,019,549	-	-	-	753,198	753,198	-
Drainage	1,491,271	2,611,123	-	-	-	1,119,852	1,119,852	-
Total business-type activities	37,719,250	50,574,870	-	8,365,459	-	21,221,079	21,221,079	-
Total primary government	$ 141,334,498	$ 71,205,685	$ 3,644,625	$ 27,934,096	$ (59,771,171)	$ 21,221,079	$ (38,550,092)	$ -
Component units:								
MEDC	4,030,447	-	-	-	-	-	-	(4,030,447)
Total component units	$ 4,030,447	$ -	$ -	$ -	$ -	$ -	$ -	$ (4,030,447)
General revenues:								
Property taxes					58,969,473	-	58,969,473	-
Sales taxes					22,552,355	-	22,552,355	7,520,584
Franchise taxes					3,950,172	-	3,950,172	-
Mixed drink taxes					180,563	-	180,563	-
Hotel/Motel taxes					545,666	-	545,666	-
Unrestricted investment earnings					463,289	258,108	721,397	40,409
Gas royalty income					95,006	-	95,006	-
Transfers					(819,063)	819,063	-	-
Total general revenues					85,937,461	1,077,171	87,014,632	7,560,993
Change in net position					26,166,290	22,298,250	48,464,540	3,530,546
Net position, beginning					266,886,890	198,057,887	464,944,777	11,955,983
Net position ending					$ 293,053,180	$ 220,356,137	$ 513,409,317	$ 15,486,529

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Balance Sheet
Governmental Funds
As of September 30, 2020

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
ASSETS								
Cash, cash equivalents, and investments	$ 22,363,415	$ 3,888,921	$ 23,576,029	$ 14,279,159	$ 7,735,550	$ 4,839,771	$ 11,550,267	$ 88,233,112
Receivables (net of allowance for uncollectibles)	5,105,928	177,800	-	-	1,748,083	-	132,458	7,164,269
Due from other funds	-	-	-	-	-	24,581	-	24,581
Total assets	$ 27,469,343	$ 4,066,721	$ 23,576,029	$ 14,279,159	$ 9,483,633	$ 4,864,352	$ 11,682,725	$ 95,421,962
LIABILITIES AND FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES								
Liabilities:								
Accounts payable	$ 1,489,550	$ -	$ 638,902	$ 380,664	$ 372,114	$ 685,575	$ 567,613	$ 4,134,418
Due to other funds	-	-	-	-	-	-	24,581	24,581
Accrued liabilities	1,432,052	-	169,289	-	1,000,000	-	1,532	2,602,873
Retainage payable	-	-	246,934	137,890	-	-	-	384,824
Unearned revenue	-	-	-	-	1,643,429	-	311,919	1,955,348
Total liabilities	2,921,602	-	1,055,125	518,554	3,015,543	685,575	905,645	9,102,044
DEFERRED INFLOWS OF RESOURCES								
Unavailable property taxes	$ 365,867	$ 177,800	$ -	$ -	$ -	$ -	$ -	$ 543,667
Unavailable sales taxes	1,419,747	-	-	-	709,874	-	-	2,129,621
Unavailable ambulance revenue	512,686	-	-	-	-	-	-	512,686
Unavailable court revenue	28,122	-	-	-	-	-	-	28,122
Unavailable grants	34,020	-	-	-	-	-	-	34,020
Total deferred inflows of resources	2,360,442	177,800	-	-	709,874	-	-	3,248,116
Fund balances:								
Restricted	$ -	$ 3,888,921	$ 22,520,904	$ 13,760,605	3,762,072	$ 4,178,777	$ 10,586,990	$ 58,698,269
Commited	-	-	-	-	1,996,144	-	202,377	2,198,521
Unassigned	22,187,299	-	-	-	-	-	(12,287)	22,175,012
Total fund balances	22,187,299	3,888,921	22,520,904	13,760,605	5,758,216	4,178,777	10,777,080	83,071,802
Total liabilities, deferred inflows of resources, and fund balances	$ 27,469,343	$ 4,066,721	$ 23,576,029	$ 14,279,159	$ 9,483,633	$ 4,864,352	$ 11,682,725	

Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	453,053,593
Lease receivables in the governmental activities are not financial resources and, therefore, are not reported in the funds.	2,916,110
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	3,558,212
Long-term liabilities, including bonds payable and pension expense, are not due and payable in the current period and therefore are not reported in the funds	(249,546,537)
Net position of governmental activities	$ 293,053,180

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2020

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
REVENUES								
Taxes:								
Property	$ 38,318,201	$ 17,910,295	$ -	$ -	$ -	$ 1,947,008	$ 645,625	$ 58,821,129
Sales	13,621,422	-	-	-	3,641,451	-	3,159,861	20,422,734
Franchise	3,950,172	-	-	-		-	-	3,950,172
Mixed drink	180,563	-	-	-		-	-	180,563
Hotel/motel	-	-	-	-		-	545,666	545,666
Licenses and permits	2,673,226	-	-	-	90,081	-	-	2,763,307
Intergovernmental	3,349,555	-	-	-		-	500,000	3,849,555
Charges for services	7,292,387	-	-	-	1,537,333	-	284,516	9,114,236
Fines	1,329,253	-	-	-		-	128,059	1,457,312
Interest earnings	248,646	4,646	118,049	15,842	57,714	12,929	5,463	463,289
Contributions and donations	-	-	-	-	50,738	-	18,816	69,554
Impact fees	-	-	3,260,451	-	1,574,250	-	-	4,834,701
Miscellaneous	1,250,379	-	6,529	-	32,644	-	237,241	1,526,793
Total revenues	72,213,804	17,914,941	3,385,029	15,842	6,984,211	1,959,937	5,525,247	107,999,011
EXPENDITURES								
Current:								
General government	18,791,681	-	-	-	-		1,480,491	20,272,172
Public safety	39,344,907	-	-	-	-	-	299,933	39,644,840
Public works	4,238,179	-	-	-	-	-	-	4,238,179
Culture and recreation	4,288,073	-	-	-	4,440,440	-	-	8,728,513
Debt service:								
Principal	-	9,925,000	-	-	-	-	1,815,000	11,740,000
Interest	-	5,771,627	-	-	-	-	1,344,861	7,116,488
Fiscal charges	-	111,756	-	-	-	-	6,322	118,078
Bond issuance cost	-	-	36,909	113,374	-	-	66,767	217,050
Capital outlay:								
Highways and streets	-	-	9,405,739	-	-	-	-	9,405,739
Buildings	-	-	-	3,190,055	-	-	-	3,190,055
Improvements other than buildings	-	-	-	-	1,915,416	-	-	1,915,416
Equipment	254,043	-	-	-	110,355	-	1,249,065	1,613,463
Total expenditures	66,916,883	15,808,383	9,442,648	3,303,429	6,466,211	-	6,262,439	108,199,993
Excess (deficiency) of revenues over (under) expenditures	5,296,921	2,106,558	(6,057,619)	(3,287,587)	518,000	1,959,937	(737,192)	(200,982)
OTHER FINANCING SOURCES (USES)								
Transfers in	2,411,696	-	-	-	1,270,798	-	147,880	3,830,374
Transfers out	(2,930,624)	-	-	-	(974,578)	(744,235)	-	(4,649,437)
Sale of city property		-	-	-	-	-	2,993	2,993
Refunding bonds issued	-	4,475,000	-	-	-	-	-	4,475,000
Escrow for current refunding		(4,613,205)	-	-	-	-	-	(4,613,205)
Bonds issued	-	-	4,122,848	12,664,170	-	-	7,457,982	24,245,000
Premium on bonds issued	-	222,877	233,316	716,679	-	-	422,055	1,594,927
Total other financing sources and uses	(518,928)	84,672	4,356,164	13,380,849	296,220	(744,235)	8,030,910	24,885,652
Net change in fund balances	4,777,993	2,191,230	(1,701,455)	10,093,262	814,220	1,215,702	7,293,718	24,684,670
Fund balances - beginning	17,409,306	1,697,691	24,222,359	3,667,343	4,943,996	2,963,075	3,483,362	58,387,132
Fund balances - ending	$ 22,187,299	$ 3,888,921	$ 22,520,904	$ 13,760,605	$ 5,758,216	$ 4,178,777	$ 10,777,080	$ 83,071,802

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances total governmental funds	$	24,684,670
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(1,306,148)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		19,556,084
Lease revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in the funds.		775,833
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		2,257,120
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred OPEB contributions, deferred investment losses, deferred assumption changes, deferred actuarial experience, and deferred loss on refunding		(1,585,344)
Deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes, deferred investment gains, deferred actuarial experience, and deferred gain on refunding.		(4,711,889)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also included is net pension liability which is the difference in Total Pension Liabilty less the Plan Fiduciary Net Position.		(13,504,036)
Changes in net position of governmental activities	$	26,166,290

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Business-Type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 22,516,304	$ -	$ 4,697,441	$ 27,213,745
Accounts receivable (net of allowance for uncollectibles)	4,835,558	3,313	280,206	5,119,077
Inventories	582,729	2,863	-	585,592
Current assets	27,934,591	6,176	4,977,647	32,918,414
Current restricted assets:				
Cash and cash equivalents	15,316,822	155,596	75,651	15,548,069
Total current assets	43,251,413	161,772	5,053,298	48,466,483
Noncurrent assets:				
Capital assets:				
Land	616,163	234,528	1,850,099	2,700,790
Buildings and systems	253,924,896	7,363,784	7,725,501	269,014,181
Improvements other than buildings	138,950	2,688,591	-	2,827,541
Machinery and equipment	4,180,279	1,308,004	409,135	5,897,418
Construction in progress	19,685,797	-	145,980	19,831,777
Less accumulated depreciation	(70,573,301)	(6,001,695)	(1,650,108)	(78,225,104)
Total capital assets (net of accumulated depreciation)	207,972,784	5,593,212	8,480,607	222,046,603
Total noncurrent assets	207,972,784	5,593,212	8,480,607	222,046,603
Total assets	251,224,197	5,754,984	13,533,905	270,513,086
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension contributions	453,664	416,591	47,806	918,061
Deferred OPEB contributions	240,655	167,729	23,151	431,535
Deferred investment losses	43,397	30,055	4,167	77,619
Deferred assumption changes	28,654	26,314	3,020	57,988
Deferred actuarial experience	1,152,914	865,207	113,467	2,131,588
Deferred loss on refunding	2,434,143	-	95,307	2,529,450
Total deferred outflows of resources	4,353,427	1,505,896	286,918	6,146,241
LIABILITIES				
Current liabilities:				
Accounts payable	1,454,645	13,069	57,922	1,525,636
Compensated absences	181,621	-	19,010	200,631
Accrued liabilities	132,047	-	13,292	145,339
Current liabilities	1,768,313	13,069	90,224	1,871,606
Current liabilities payable from restricted assets:				
Customer deposits payable	1,627,043	3,362	-	1,630,405
Revenue bonds payable	3,581,961	-	439,689	4,021,650
Certificates of obligation payable	-	52,502	-	52,502
Accrued interest payable	239,312	2,256	-	241,568
Retainage payable	704,809	-	14,565	719,374
Accrued liabilities	-	26,137	-	26,137
Current liabilities payable from restricted assets	6,153,125	84,257	454,254	6,691,636
Total current liabilities	7,921,438	97,326	544,478	8,563,242
Noncurrent liabilities:				
Compensated absences	619,460	-	38,325	657,785
General obligation bonds payable (net of unamortized discounts)	-	390,218	-	390,218
Revenue bonds payable (net of deferred amount on refunding)	30,926,123	-	1,880,111	32,806,234
Total OPEB liability - SDBF	118,618	108,925	12,500	240,043
Net OPEB liability	4,675,403	3,237,919	448,915	8,362,237
Net pension liability	1,977,194	1,815,617	208,350	4,001,161
Total noncurrent liabilities	38,316,798	5,552,679	2,588,201	46,457,678
	46,238,236	5,650,005	3,132,679	55,020,920
DEFERRED INFLOWS OF RESOURCES				
Deferred assumption changes	108,402	79,972	10,611	198,985
Deferred investment gains	473,309	434,630	49,875	957,814
Deferred actuarial experience	61,055	46,011	6,017	113,083
Deferred gain on refunding	-	12,388	-	12,388
Total deferred inflows of resources	642,766	573,001	66,503	1,282,270
NET POSITION (DEFICIT)				
Net investment in capital assets	175,194,034	5,138,104	6,241,549	186,573,687
Restricted for debt service	4,203,581	20,446	51,414	4,275,441
Restricted for capital projects	11,639,193	132,894	-	11,772,087
Unrestricted	17,659,814	(4,253,570)	4,328,678	17,734,922
Total net position	$ 208,696,622	$ 1,037,874	$ 10,621,641	$ 220,356,137

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities Enterprise Funds			
	Water and Sewer	Law Enforcement Center	Drainage Utility	Total
Operating revenues:				
Charges for sales and services:				
Water sales	$ 22,091,764	$ -	$ -	$ 22,091,764
Sewer charges	13,338,839	-	-	13,338,839
Drainage fees	-	-	2,584,618	2,584,618
Housing services	-	5,612,838	-	5,612,838
Other services	6,513,595	406,711	26,505	6,946,811
Total operating revenues	41,944,198	6,019,549	2,611,123	50,574,870
Operating expenses:				
Costs of sales and services	19,565,236	4,569,593	187,600	24,322,429
Administration	5,386,645	446,217	1,002,721	6,835,583
Depreciation	5,072,086	237,425	180,251	5,489,762
Total operating expenses	30,023,967	5,253,235	1,370,572	36,647,774
Operating income (loss)	11,920,231	766,314	1,240,551	13,927,096
Nonoperating revenues (expenses):				
Interest earnings	249,422	-	8,686	258,108
Interest expense	(937,661)	(13,116)	(120,699)	(1,071,476)
Total nonoperating revenue (expenses)	(688,239)	(13,116)	(112,013)	(813,368)
Income (loss) before contributions and transfers	11,231,992	753,198	1,128,538	13,113,728
Capital contributions	8,365,459	-	-	8,365,459
Transfers in (out)	(1,667,461)	2,486,524	-	819,063
Change in net position	17,929,990	3,239,722	1,128,538	22,298,250
Total net position - beginning	190,766,632	(2,201,848)	9,493,103	198,057,887
Total net position- ending	$ 208,696,622	$ 1,037,874	$ 10,621,641	$ 220,356,137

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2020

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Law Enforcement Center	Drainage Utility Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customer and users	$ 43,467,393	$ 6,583,444	$ 2,692,984	$ 52,743,821
Payments to suppliers	(15,895,357)	193,818	(421,541)	(16,123,080)
Payments to employees	(7,439,733)	(9,369,997)	(640,944)	(17,450,674)
Net cash provided by (used in) operating activities	20,132,303	(2,592,735)	1,630,499	19,170,067
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfer to/from other funds	(1,667,461)	2,486,524	-	819,063
Net cash provided by (used in) capital and related financing activities	(1,667,461)	2,486,524	-	819,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(16,184,198)	-	(147,115)	(16,331,313)
Principal paid on capital debt	(3,180,000)	(45,000)	(430,000)	(3,655,000)
Interest paid on capital debt	(1,561,217)	(14,687)	(99,374)	(1,675,278)
Net cash used in capital and related financing activities	(20,925,415)	(59,687)	(676,489)	(21,661,591)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	249,422	-	8,686	258,108
Net cash provided by investing activities	249,422	-	8,686	258,108
Net increase (decrease) in cash and cash equivalents	(2,211,151)	(165,898)	962,696	(1,414,353)
Cash and cash equivalents, October 1	40,044,277	321,494	3,810,396	44,176,167
Cash and cash equivalents, September 30 (including $15,316,822; $155,596; and $75,651 for the Water and Sewer fund, Law Enforcement Center fund, and Drainage Utility fund, respectively, reported in restricted accounts)	$ 37,833,126	$ 155,596	$ 4,773,092	$ 42,761,814
Reconciliation of operating income (loss) to net cash provided by (used in)operating activities:				
Operating income (loss)	$ 11,920,231	$ 766,314	$ 1,240,551	$ 13,927,096
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	5,072,086	237,425	180,251	5,489,762
Decrease in accounts receivable	1,451,824	563,895	81,861	2,097,580
Decrease in inventories	474,573	23,282	-	497,855
Decrease (increase) in deferred outflows of resources	156,742	739,405	11,980	908,127
(Increase) in net pension obligation	(951,822)	(1,748,047)	(23,279)	(2,723,148)
(Increase) decrease in OPEB obligation	389,307	(1,880,272)	50,589	(1,440,376)
Decrease in deferred inflows of resources	531,337	374,360	58,575	964,272
(Increase) decrease in accounts payable	1,088,025	(1,669,097)	29,971	(551,101)
Total adjustments	8,212,072	(3,359,049)	389,948	5,242,971
Net cash provided by (used in) operating activities	$ 20,132,303	$ (2,592,735)	$ 1,630,499	$ 19,170,067
Noncash capital activities:				
Contributions of capital assets from developers	$ 8,365,459	$ -	$ -	$ 8,365,459
Capital asset acquistions included in accounts payable	1,144,445	-	-	1,144,445

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2020

	Retiree Health Insurance OPEB Trust	Agency	Total
ASSET			
Cash and cash equivalents	$ 897,681	$ 8,104,060	$ 9,001,741
Investments:			
Mutual funds - Equity	8,464,864	-	8,464,864
Mutual funds - Fixed income	8,297,829	-	8,297,829
Accrued income	40	-	40
Total assets	$ 17,660,414	$ 8,104,060	$ 25,764,474
LIABILITIES			
Insurance payable	$ -	$ 8,104,060	$ 8,104,060
Total liabilities	$ -	$ 8,104,060	$ 8,104,060
NET POSITION			
Restricted for:			
Other Post Employment Benefits	17,660,414	-	17,660,414
	$ 17,660,414	$ -	$ 17,660,414

The notes to the financial statements are an integral part of this statement.

City of Mansfield, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2020

	Retiree Health Insurance OPEB Trust
ADDITIONS	
Investment earnings:	
Contributions	$ 2,410,000
Interest	182
Dividends	172,573
Net increase in fair value of investments	591,405
Increase (decrease) in net accrued income	(72)
Total investment earnings	3,174,088
Net investment earnings	3,174,088
Total additions	3,174,088
DEDUCTIONS	
Benefit payments	2,410,000
Administrative expenses	80,301
Total deductions	2,490,301
Net increase in fiduciary net position	683,787
Net position, beginning of year, as previously reported	-
Adjustment for correction of error (footnote I.)	16,976,627
Net position, beginning of year, as restated	16,976,627
Net position - ending	$ 17,660,414

The notes to the financial statements are an integral part of this statement.

I. Summary of Significant Accounting Policies

The financial statements of the City of Mansfield, Texas (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies of the City are described herein.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member Council. As required by GAAP, these financial statements present the City and its component units, for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations, and data from these units are combined with data from the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

Mansfield Park Facilities Development Corporation (MPFDC) - The MPFDC board of directors is appointed by the City Council, and the City management maintains significant continuing management responsibility with respect to MPFDC policies. Additionally, the City is ultimately responsible for MPFDC fiscal matters. The MPFDC provides services exclusively to the City (i.e., the MPFDC constructs capital assets on behalf of the City). The MPFDC does not issue separate financial statements and the MPFDC is included in the other governmental funds.

Mansfield Tax Increment Financing Reinvestment Zone Number One (TIRZ #1) - The City and the City's management maintain significant influence and management responsibility in the approval of programs, expenditures, and obligations of the TIRZ #1. The TIRZ #1 board of directors is a seven-member board; four members of the board of directors are members of the City's Council with the remaining three board members appointed by the participating entities of the TIRZ #1 unless the participating entity waives its right to board membership, which at such time the City may appoint a member in its stead. Two Counties, Tarrant, and Ellis County, participate in the City's TIRZ #1 as it is a 3,100-acre tract of land that is in three Counties. The TIRZ #1 does not issue separate financial statements, as the TIRZ #1 is included as a major fund of the City. The TIRZ #1 was established in December 2006 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #1, which are owned and maintained by the City.

Mansfield Tax Increment Financing Reinvestment Zone Number Two (TIRZ #2) – The City and the City's management maintain significant influence and responsibility in the approval of programs, expenditures, and obligations of the TIRZ #2. The TIRZ #2 board of directors is a five-member board; four members of the board of directors are members of the City's Council with the remaining board member appointed by Tarrant County, the other participating entity. This TIRZ #2 was established to revitalize the City's Historic Downtown area, which includes 317 developed acres. The TIRZ #2 does not issue separate financial statements, as the TIRZ #2 is included as a non-major fund of the City. The TIRZ #2 was

established in December 2012 and is for the primary benefit of the City. The benefits include financing of the City's infrastructure within the TIRZ #2, which will be owned and maintained by the City.

South Pointe Public Improvement District – The City established a public improvement district for the purpose of maintaining public improvements on approximately 873 acres in the TIRZ number one area. An annual assessment will fund the public improvement district.

Discretely Presented Component Unit

Mansfield Economic Development Corporation (MEDC) – In 1997, the voters passed an additional 1/2 cent sales tax to fund an aggressive economic development program and provide financial incentives, infrastructure needs, and tax relief in the recruitment and retention of industry. Although the City Council appoints all board members, none of the board members are currently City Council members or City employees. In addition, City management maintains significant continuing management responsibility with respect to MEDC financial matters. Although the MEDC financial matters are ratified or denied by the City, the City is not legally entitled to the MEDC resources or is it legally obligated for the indebtedness of the MEDC. The MEDC provides financial incentives to business and industry as permitted by statute and does not provide services entirely or almost entirely to the City and does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The basic financial statements include both government-wide (based on the City as a whole) and fund financial statements. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The previous reporting model emphasized fund types (the total of all funds of a particular type); in the reporting model as defined by GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the focus is either the City as a whole or major individual fund (within the fund financial statements).

The government-wide statement of activities demonstrates the degree to which the direct expenses of a functional category (Police, Fire, Public Works, etc.) or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment, and 3) grants and contributions that are restricted to meeting the capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The net cost (by function or business-type activity) is normally covered by general revenue (property, sales, franchise taxes, interest income, etc.).

Separate fund-based financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The major governmental funds are the general fund, debt service fund, street construction fund, building construction fund, and TIRZ #1 fund. The major enterprise funds are the water and sewer fund, the law enforcement center fund, and the drainage utility fund. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues, or expenditures/expenses of either fund category for the governmental and enterprise combined) for the determination of major funds along with other qualitative factors. The non-major funds are combined in a separate column in the fund financial statements. The non-major funds are detailed in the combining section of the statements.

The City's fiduciary funds are presented in the fund financial statements by type. Since by definition these assets are being held for the benefit of a third party (other local governments, individuals, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

The government-wide focus is more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. The focus of the fund financial statements is on the major individual funds of the governmental and business-type categories, as well as the fiduciary fund (by category) and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus. The government-wide financial statements are presented using the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual, as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers ad valorem tax, sales tax, hotel/motel tax, mixed drink tax, franchise tax, and investment earnings to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligation has matured and will be paid shortly after year-end (not to exceed one month).

Licenses and permits, charges for services, fines, contributions and donations, impact fees, and miscellaneous revenues are recorded as revenues when received in cash, as the amounts are typically not known until received. Investment earnings are recorded as earned since they are measurable and available. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, as soon as all eligibility requirements have been met, moneys must be expended for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with

prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if all eligibility requirements are met.

A portion of the City's revenues are derived from developer contributions. The effect of these transactions, recorded as revenue, in the City's water and sewer funds was significant. Developer's contributions of $8,365,459 are recorded as non-operating revenue in the water and sewer fund financial statements. These amounts represent revenues from non-exchange transactions during the fiscal year. For reporting non-exchange transactions for the governmental activities, in the government-wide financial statements on the accrual basis of accounting, the revenues are recorded as capital contributions program revenue, which totaled $19,568,637.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Water and Sewer Fund, Law Enforcement Center Fund, and Drainage Utility Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The government reports the following major governmental funds:

The General Fund is the operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, the fixed charges, and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The General Obligation Debt Service Fund (Debt Service) is used to account for the accumulation of resources for and the payment of, principal and interest on general long-term obligation debt. The primary source of revenue is ad valorem taxes, which are levied by the City.

The Street Construction Fund accounts for the financial resources to be used in the construction of roadways and bridges. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, impact fees, developer contributions, or other sources.

The Building Construction Fund accounts for the financial resources to be used in the construction of general governmental buildings and facilities. The Fund is financed from general obligation bond proceeds, certificates of obligation proceeds, or other sources.

The Mansfield Parks Facility Development Corporation Fund is used to account for the half-cent sales tax, approved by the voters, for parks land acquisition.

The TIRZ One Fund accounts for the financial resources to be used in the development, construction, improvements, and acquisition of land within a boundary that encompasses 3,100 acres of mixed-use property. The Fund is financed from the increased property values above a preexisting property tax base on January 1, 2006. The year-over-year increase in property values will be contributed by the City and the participating Counties. The City's contribution of property tax from the increased property values is 65% of the increased property within the TIF boundary, and the County's contribution of property tax from the increased property values is 30% of the increased property within Counties limits within the TIF boundary.

The other governmental funds column is a summarization of all the non-major governmental fund types.

The government reports the following major proprietary funds:

The Water and Sewer Fund accounts for the operation of the City's water and sewer system. Activities of the Fund include administration, operation, and maintenance of the water and sewer system and billing and collection activities. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for general obligation, and revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Fund.

The Law Enforcement Center Fund accounts for the operation of the City's jail facility. Its activities are expected to be discontinued in the next fiscal year.

The Drainage Utility Fund accounts for the operation of the City's drainage system. Activities of the Fund include administration, operation, and maintenance of the drainage system. The Fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for revenue bonds. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the Fund.

Additionally, the government reports the following fund type:

Agency Funds are used to account for assets held by the City in a trustee capacity for others or for other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables. The Payroll Fund and the Employee Group Health Insurance Fund are the Agency Funds currently administered by the City.

The other postemployment benefit trust fund is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions. The City utilizes a trust to hold required contributions for other postemployment benefits. Plan trustee must act in accordance with the specific purpose and terms of the OPEB plan. For years prior to 2019, the City incorrectly did not report the trust fund. Correcting the fund type resulted in a restatement of beginning fiduciary net position as of October 1, 2019 of $17,402,659 to report the fund as a trust fund. The accompanying statement of fiduciary net position and statement of changes in fiduciary net position are presented as of and for the year ended June 30, 2020, the Plan's year-end in accordance with GASB Statement No. 74.

D. Assets, Liabilities, and Net Position or Equity

1. Deposits and Investments:

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less from the end of the fiscal year.

The City maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is reflected on the balance sheet or statement of net position as "Cash, Cash Equivalents, and Investments" under each fund's caption. Except for bond-related and other restricted transactions, the City conducted all its banking and investment transactions with one financial institution.

For fiscal year 2020, the City invested in direct obligations of the U.S. government, or its agencies and mutual funds as authorized by the City's investment policy. The City records interest revenue earned

from investment activities in each respective fund and recognizes its investments on a fair value basis, which is based on quoted market prices.

2. Inventory:

Inventory consists primarily of supplies, valued at cost. Cost is determined using the weighted average method. Inventory is charged to the user departments and recorded as expenses/expenditures when consumed rather than when purchased. The non-spendable portion of the fund balance is provided equal to the amount of inventory, as the amount is not available for expenditure.

3. Prepaid Items:

Payments made to vendors for services that will benefit future periods are recorded as prepaid items. These payments are recognized under the consumption method.

4. Capital Assets:

Capital assets, property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition cost at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized, while improvements and betterments are capitalized.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	50 years
Water and Sewer Lines	50 years
Vehicles, Machinery, and Equipment	4-10 years
Infrastructure	25 years

5. Deferred Outflows:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future periods and will not be recognized as an outflow of resources (expense/expenditure) until the appropriate future period. The City has six items that qualify for this category. Deferred pension/OPEB contributions relate to contributions made by the City after the measurement date so they are deferred and recognized in the upcoming fiscal year. Deferred investment losses are the differences in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred actuarial experience is the difference in the expected and actual pension experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred loss on refunding are the differences in carrying value of the refunded debt compared to its

acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter.

6. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the respective retirement plan and additions to/deductions from the respective Fiduciary Net Position have been determined on the same basis as they are reported by the respective pension plan. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

7. Other Postemployment Benefits (OPEB):

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Health Insurance OPEB Trust and additions to/deductions from the Trust's fiduciary net position have been determined on the same basis as they are reported by the Trust. For this purpose, the Trust recognizes benefit payments when due and payable in accordance with the benefit terms. The other post-employment benefit liabilities that pertain to the governmental activities will be liquidated mainly by the General Fund with the rest being liquidated by the MPFDC.

8. Deferred Inflows:

Deferred inflows of resources are used to report acquisitions of net assets by the City that are applicable to future reporting periods. The City has four items that qualify for this category. Deferred assumption changes are differences arising from a change in actuarial assumptions and are deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred investment gains are the differences in the projected and actual earnings on the pension/OPEB assets. This difference is deferred and amortized over a closed five year period. Deferred actuarial experience is the difference in the expected and actual pension experience. This difference is deferred and amortized over the estimated average remaining lives of all members determined as of the measurement date. Deferred gain on refunding are the differences in carrying value of the refunded debt compared to its acquisition price. This difference is deferred and amortized over the remaining life of the refunded debt or new debt, whichever is shorter. Unavailable revenue is only reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

9. Compensated Absences:

Vested or accumulated vacation leave is accrued in the government-wide and proprietary fund financial statements when incurred. No liability is recorded for non-vesting, accumulating rights to receive sick pay benefits. Vacation is earned in varying amounts up to a maximum of fifteen (15) days for employees with ten (10) or more years of service. Unused vacation leave is carried forward from one year to the next without limit with regards to years of service. As of September 30, 2020, the liability for accrued vacation was $9,984,825. The amount applicable to the Proprietary Funds of $858,416 and the MEDC of $91,442 have been recorded in these funds, and the amount applicable to other funds of $9,034,967 has been recorded in the government-wide financial statements.

10. Interfund Charges:

The City allocates to the Water and Sewer Fund, a percentage of the salaries and wages and related costs of personnel who perform administrative services for the fund but are paid through the General Fund. During the year ended September 30, 2020, the City allocated $147,980 to the Water and Sewer Fund for these services.

11. Property Tax:

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent on February 1 of the following year. The City contracts with Tarrant County to bill and collect its property taxes. Property tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

12. Sales Tax:

The City levies a 2% local sales tax in addition to the statewide sales tax rate of 6.25%. Sales tax revenues are recognized when they are both measurable and available. Revenues are considered both measurable and available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period.

13. Long-Term Obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Net pension liability is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit plan. Net OPEB/Total OPEB - SDBF liabilities are the liabilities of postemployment benefits provided to employees separately from a pension plan. Net OPEB liabilities are funded through an irrevocable trust while Total OPEB - SDBF liabilities are not.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

As a home rule city, the City of Mansfield is not limited by the law in the amount of debt it may issue. The City is permitted by Article XI, Section 5 of the *State of Texas Constitution* to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation long-term debt. The Attorney General of the State of Texas has further defined the debt limit to be $1.50 per $100 of assessed valuation.

14. Restricted Assets:

Certain proceeds of Proprietary Fund Revenue Bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Additionally, amounts held by the City for inmates of the Law Enforcement Center are also classified as restricted assets on the statement of net position.

15. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Final settlement amounts could differ from those estimates.

16. Fund Balance Classification:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to classify the fund balances.

Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by formal action of the City Council and do not lapse at year-end. This formal action consists of a written ordinance voted and approved by a majority of the City Council. For assigned fund balance classification, the City Manager with concurrence of the Deputy City Manager is authorized to assign amounts for a specific purpose as permitted by Section 9.12 of the City Charter. The restricted fund balance classification includes amounts that have constraints that are externally imposed (creditors, grantors, etc.) or imposed by enabling legislation. The non-spendable classification includes amounts that are not in spendable form or required to be maintained intact. The unassigned fund balance classification represents fund balance that has not been classified to another category.

The City considers an amount spent when the expenditure is incurred when restricted or unrestricted fund balances are available. In addition, the City considers an amount spent when the expenditure is incurred for purposes for which an amount in the committed, assigned, or unassigned amounts could be used. The City considers expenditures to be made from the most restrictive resources/funds when more than one classification is available.

The City has a minimum General Fund balance policy requirement. This policy established by resolution of the Council requires the General Fund unassigned fund balance to be 25% of the ensuing fiscal year's General Fund operating budget. The detailed fund balance classifications are as follows:

	General	Debt Service	Street Construction	Building Construction	Mansfield Parks Facility Development Corporation	TIRZ #1	Other Governmental Funds	Total Governmental Funds
Fund balances:								
Restricted:								
Debt service reserve	-	3,888,921	-	-	-	-	-	3,888,921
Parks debt service reserve	-	-	-	-	-	-	510,814	510,814
Street construction/improvements	-	-	22,520,904	-	-	-	250,000	22,770,904
Municipal building improvements	-	-	-	13,760,605	-	-	-	13,760,605
Parks and recreation	-	-	-	-	3,762,072	-	2,300,000	6,062,072
Parks capital improvements	-	-	-	-	-	-	66,306	66,306
Other capital projects	-	-	-	-	-	4,178,777	393,382	4,572,159
Equipment /other purposes	-	-	-	-	-	-	5,461,968	5,461,968
COPS Grant					-		102,481	102,481
Court security and technology	-	-	-	-	-	-	392,814	392,814
Court seizure fund	-	-	-	-	-	-	75,051	75,051
Tourism promotion	-	-	-	-	-	-	1,034,174	1,034,174
Commited:								
Tree mitigation	-	-	-	-	-	-	27,711	27,711
Parks and recreation	-	-	-	-	1,996,144	-	-	1,996,144
Library	-	-	-	-	-	-	105,116	105,116
Animal control	-	-	-	-	-	-	69,550	69,550
Unassigned:	22,187,299	-	-	-	-	-	(12,287)	22,175,012
Total fund balances	22,187,299	3,888,921	22,520,904	13,760,605	5,758,216	4,178,777	10,777,080	83,071,802

The deficit fund balance in Southpointe PID, included in other governmental funds, will be satisfied with future Southpointe PID fund revenues or a subsidy from the General Fund.

17. Net Position:

Net position is classified and displayed in three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is excluded from the calculation of net investment in capital assets.

Restricted – Consists of assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. When an expense is incurred for purposes for which there are both restricted and unrestricted assets available, it is the City's policy to apply those expenses to restricted assets, to the extent such are available, and then to unrestricted assets.

Unrestricted – All other assets that constitute the components of net position that do not meet the definition of "restricted" or "investment in capital assets."

II. Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

The details of this $249,546,537 difference are as follows:

Bonds payable	185,745,000
Premium on issuance of bonds	10,352,534

Discounts on issuance of bonds	(699,025)
Deferred loss on refunding	(2,357,349)
Deferred gain on refunding	9,068
Accrued interest payable	959,611
Compensated absences	9,034,967
Deferred pension contributions	(3,925,424)
Deferred OPEB contributions	(2,015,324)
Deferred investment gains, net	3,732,207
Deferred assumption changes	(247,949)
Net pension liability	17,108,045
Net OPEB liability	39,127,246
Total OPEB liability – SDBF	1,026,365
Deferred actuarial experience	(9,216,781)
Deferred assumption changes, net	913,346
Net adjustment to reduce fund balance – total governmental funds to arrive at net position– governmental activities	$249,546,537

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this ($1,306,148) difference are as follows:

Capital outlay	$16,124,673
Depreciation expense	(17,430,821)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	($ 1,306,148)

Another element of that reconciliation states "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position." The statement of activities reports contributions of capital assets. Conversely, the governmental funds do not report any contributions of capital assets. The $19,556,084 difference is as follows:

Net adjustment to increase changes in fund balances – total government funds to arrive at changes in net position of governmental activities	$ 19,556,084

Another element of that reconciliation states that "revenues recognizing future lease payments on a straight-line basis in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the funds." The $775,833 difference is as follows:

The statement of activities reports lease revenues to recognize future lease payments on a straight-line basis. However, governmental funds do not report lease revenues until they are available.	$775,833

Another element of that reconciliation states that "revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds". The $119,416 difference is as follows:

The governmental funds defer revenue related to uncollected receivables. However, in the statement of activities, this is recognized in the current period. $2,257,120

Another element of that reconciliation states that "deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then." Deferred outflows are deferred pension contributions, deferred investment losses, deferred charges on refunding, and deferred pension expenses. The details of this ($1,585,344) difference are as follows:

Changes in deferred pension contributions	$ 635,520
Changes in deferred OPEB contributions	1,983,349
Changes in deferred investment losses	(5,922,677)
Changes in deferred actuarial expense	1,798,090
Changes in deferred assumption changes	199,857
Changes in deferred loss/(gain) on refunding	(279,483)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (1,585,344)

Another element of that reconciliation states that "deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then." Deferred inflows are deferred pension contributions, and deferred rent. The details of this ($4,711,889) difference are as follows:

Changes in deferred investment gains	($4,095,397)
Changes in actuarial experience	(515,637)
Changes in deferred assumption changes	(100,855)
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	$ (4,711,889)

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $(13,504,036) difference are as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	$(28,720,000)
Premium on issuance of bonds	(1,594,927)
Change in accrued interest payable	(23,394)
Amortization of premiums/discounts	701,788
Change in compensated absences	(1,504,267)
Principal payments or payments to escrow agent	11,740,000
Refunded Debt	4,613,205
Change in net pension liability	8,533,013
Change in net OPEB liability	(7,140,412)
Change in total OPEB liability - SDBF	(109,042)
Net adjustment to decrease net changes in fund balances – total	

governmental funds to arrive at changes in net position of governmental activities	$ (13,504,036)

III. Detailed Notes on All Funds

A. Deposits and Investments

As of September 30, 2020, the primary government had cash and cash equivalents of $139,098,986 (including $8,104,060 in the Agency fund) including the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM):

Primary Government - Governmental Activities and Business-type Activities	Fair Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	41,653,275	0.08
Investment Type - Money Market Mutual Funds	23,889,390	0.08
Total Fair Value and Weighted Average Maturity	$65,542,665	0.08

As of September 30, 2020, the Mansfield Economic Development Corporation had cash and cash equivalents of $5,189,484 and the following investments, which are recorded as cash equivalents (maturities of investments are measured in weighted average maturities or WAM)

Component Unit – Mansfield Economic Development Corporation	Fair Value	WAM (Years)
Investment Type – TexSTAR Investment Pool	2,751,887	0.08
Investment Type - Money Market Mutual Funds	1,751,957	0.08
Total Fair Value and Weighted Average Maturity	$4,503,844	0.08

Money market accounts are marketable securities in active markets that have observable inputs and prices.

Interest Rate Risk –

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk –

The City is authorized to invest in U.S. government obligations and its agencies or instrumentalities, obligations of Texas and its agencies, fully insured or collateralized certificates of deposit, fully collateralized direct repurchase agreements, government pools and money market funds consisting of any of these securities listed, and obligations of states, cities, and other political subdivisions with a rating of "A" or its equivalent. As of September 30, 2020, the City's investment in the money market mutual funds was rated "AAA" by Standard and Poor's and "Aaa" by Moody's Investment Service.

Custodial Credit Risk Deposits –

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy, which requires a collateralization level of 105% of market value less an amount insured by the FDIC. Of the primary government, agency fund and the component unit's categorizable bank deposits, none were uninsured and uncollateralized as of September 30, 2020.

Custodial Credit Risk Investments –

For an investment, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City has an investment policy, which requires a collateralization level of 105% of market value of principal and accrued interest on investments other than direct purchases of U.S. Treasuries or Agencies. The policy requires all investments held by outside parties for safekeeping in the name of the City or on behalf of the City.

Concentration of Credit Risk Investments –

The City's investment policy does not place a limit on the amount the City may invest in a single issuer because the City's investment policy limits the City's authorized investments. These authorized investments include any security backed by the federal government, the State of Texas, or political subdivision with an investment grade rating of "A" or better. The City's investment policy authorizes mutual funds, "AAA" rated only registered with the Securities and Exchange Commission available alternatives to previously listed authorized securities. At September 30, 2020, the City's investments are held in Bank of America Merrill Lynch Money Market Mutual Fund; and TexSTAR Participant Services. These investments are 35.94%; and 63.39% of the City's total investments. These money market mutual funds are invested in U.S. Treasury obligations, which are backed by the full faith and credit of the U.S. government.

External Investment Pool –

TexSTAR's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the fund or who do not have a business relationship with the fund and are qualified to advise. The investment objective and strategies of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The pool offeres same day access to investment funds.

JPMorgan Investment Management (JPMIM) and Hilltop Securities, Inc. (HSAM) serve as co-administrators for TexSTAR under an agreement with the TexSTAR board of directors. JPMIM serves as an investment advisor to TexSTAR, while HSAM provides administrative participant support and marketing services. TexSTAR is not registered with the Securities and Exchange Commission (SEC) as an investment company but is an investment pool that has been organized in conformity with Chapters 791, Interlocal Cooperation Act, and 2256, Public Funds Investment Act, of the Texas Government Code.

Investments with TexSTAR are carried at net asset value.

Interest Rate Risk –

As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the investment portfolio as follows:

Investment Type	Not to Exceed
Obligations of the United States	100%
Obligations of the State of Texas	100%
Certificates of Deposit	100%
Investment Pools	100%
Mutual Funds	100%

As a means of limiting its exposure fair value losses arising from rising interest rates, the following guidelines reflect the Retiree Health Insurance OPEB Trust's asset allocation goals:

Portfolio Segment	Range of Portolio Assets
Equity	40-60%
Fixed income	40-60%
Cash	0-20%

In accordance with GASB Statement No. 72 *Fair Value Measurement and Application,* investments are recorded at fair value. In accordance with GASB Statement No. 72, the Retiree Health Insurance OPEB Trust categorizes its fair value measurements within the fair value hierarchy. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Mutual funds are categorized as Level 1.

The Retiree Health Insurance OPEB Trust fund cash and investments (mutual funds are reported at fair value) are summarized below:

Cash and Cash Equivalents		
Cash	$	897,681
Investments		
Mutual funds		16,762,693
Total cash and cash equivalents and investments	$	17,660,374

The City, including the proprietary funds and the component unit, do not have any debt security investments, other than in the Retiree Health Insurance OPEB Trust, which are exposed to interest rate risk.

Foreign Currency Risk –

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have any investments in foreign obligations.

B. Receivables

Receivables at September 30, 2020 consisted of the following:

	Governmental Funds			
	General	Debt Service	Non-major	Total
Receivables:				
Property Taxes	$ 966,723	$ 545,761	$ -	$1,512,484
Accounts	11,252,428	-	1,880,541	13,132,969
Gross Receivables	12,219,151	545,761	1,880,541	14,645,453
Less: Allowance for Uncollectible	(7,113,223)	(367,961)	-	(7,481,184)
Net Total Receivables	$ 5,105,928	$ 177,800	$ 1,880,541	$ 7,164,269

	Proprietary Funds			
	Water & Sewer	Law Enforcement	Drainage Utility	Total
Receivables:				
Accounts	$5,994,328	$3,313	$ 365,195	$6,362,836
Other	148,565	-	-	148,565
Gross Receivables	6,142,893	3,313	365,195	6,511,401
Less: Allowance for Uncollectible	(1,307,335)	-	(84,989)	(1,392,324)
Net Total Receivables	$4,835,558	$3,313	$280,206	$5,119,077

The MEDC has a receivable in the amount of $1,255,886 as of September 30, 2020.

C. Capital Assets

Capital asset activity for the year ended September 30, 2020 is as follows:

Governmental activities:	Sept 30, 2019	Increases	Decreases	Sept 30, 2020
Capital assets, not being depreciated:				
Land	$ 107,685,098	$ -	$ -	$ 107,685,098
Construction in progress	12,822,171	14,759,027	(8,149,744)	19,431,454
Total capital assets, not being depreciated	120,507,269	14,759,027	(8,149,744)	127,116,552
Capital assets, being depreciated:				
Buildings	108,033,220	-	-	108,033,220
Other improvements	28,502,601	887,443	-	29,390,044
Machinery and equipment	28,643,169	1,365,646	(369,758)	29,639,057
Infrastructure	407,039,854	26,830,938	-	433,870,792
Total capital assets, being depreciated	572,218,844	29,084,027	(369,758)	600,933,113
Less accumulated depreciation for:				
Buildings	(15,457,296)	(1,636,233)	-	(17,093,529)
Other improvements	(18,111,301)	(2,069,079)	-	(20,180,380)
Machinery and equipment	(18,721,092)	(1,129,225)	357,205	(19,493,112)
Infrastructure	(205,632,767)	(12,596,284)	-	(218,229,051)
Total accumulated depreciation	(257,922,456)	(17,430,821)	357,205	(274,996,072)
Total capital assets being depreciated, net	314,296,388	11,653,206	(12,553)	325,937,041
Governmental activities capital assets, net	$ 434,803,657	$ 26,412,233	$ (8,162,297)	$ 453,053,593

Business-type activities:	Sept 30, 2019	Increases	Decreases	Sept 30, 2020
Capital assets, not being depreciated:				
Land	$ 2,271,603	$ 429,187	$ -	$ 2,700,790
Construction in progress	4,727,274	15,135,295	(30,792)	19,831,777
Total capital assets, not being depreciated	6,998,877	15,564,482	(30,792)	22,532,567
Capital assets, being depreciated:				
Buildings and systems	195,819,031	517,689	-	196,336,720
Improvements other than buildings	2,827,541	-	-	2,827,541
Machinery and equipment	5,738,541	279,935	(121,058)	5,897,418
Infrastructure	64,312,002	8,365,459	-	72,677,461
Total capital assets, being depreciated	268,697,115	9,163,083	(121,058)	277,739,140
Less accumulated depreciation for:				
Buildings and systems	(48,874,070)	(3,760,636)	-	(52,634,706)
Improvements other than buildings	(459,316)	(46,114)	-	(505,430)
Machinery and equipment	(4,069,170)	(402,196)	121,058	(4,350,308)
Infrastructure	(19,453,844)	(1,280,816)	-	(20,734,660)
Total accumulated depreciation	(72,856,400)	(5,489,762)	121,058	(78,225,104)
Total capital assets being depreciated, net	195,840,715	3,673,321	-	199,514,036
Business-type activities capital assets, net	$ 202,839,592	$ 19,237,803	$ (30,792)	$222,046,603

D. Capital assets continued

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 1,254,134
Public Safety	970,087
Public Works	12,710,171
Culture and Recreation	2,496,429
Total Depreciation Expense – Governmental Activities	$17,430,821
Business-Type Activities:	
Water and Sewer	$ 5,072,086
Law Enforcement Center	237,425
Drainage Utility Fund	180,251
Total Depreciation Expense – Business-Type Activities	$ 5,489,762

Construction Commitments

The general government had outstanding commitments at September 30, 2020, under authorized construction contracts of approximately $4,230,982. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources. These outstanding commitments relate to the major funds.

The MPFDC had no outstanding commitments at September 30, 2020.

The Water and Sewer Fund had outstanding commitments at September 30, 2020, under authorized construction contracts of approximately $11,410,928. These outstanding commitments will be financed by proceeds from prior bond issuances and other funding sources.

The Drainage Fund had no outstanding commitments at September 30, 2020.

Discretely Presented Component Unit

Activity for the MEDC for the year ended September 30, 2020 was as follows:

Mansfield Economic Development Corporation:	Sept 30, 2019	Increases	Decreases	Sept 30, 2020
Capital assets, not being depreciated:				
Land	$ 10,272,190	$ -	$ -	$ 10,272,190
Construction in progress	17,573,278	1,856,132	-	19,429,410
Total capital assets, not being depreciated	27,845,468	1,856,132	-	29,701,600
Capital assets, being depreciated:				
Other Improvements	167,248	-	-	167,248
Machinery and equipment	72,312	-	-	72,312
Total capital assets, being depreciated	239,560	-	-	239,560
Less accumulated depreciation for:				
Other improvements	(76,272)	(3,061)	-	(79,333)
Machinery and equipment	(72,312)	-	-	(72,312)
Total accumulated depreciation	(148,584)	(3,061)	-	(151,645)
Total capital assets being depreciated, net	90,976	(3,061)	-	87,915
MEDC capital assets, net	$ 27,936,444	$ 1,853,071	$ -	$ 29,789,515

The MEDC had no outstanding commitments at September 30, 2020.

E. Due to/Due from

The composition of the due to/due from balances as of September 30, 2020 is as follows:

Fund	Due to	Due from
Southpointe PID	$24,581	$ -
TIRZ #1	-	24,581
TOTAL	$24,581	$24,581

F. Interfund Transfers

The composition of interfund balances as of September 30, 2020 is as follows:

Fund	Transfers In	Transfers Out
General Fund	$2,411,696	$2,930,624
Building Construction	-	-
MPFDC	1,270,798	974,578
Parks Construction	147,880	-
Equipment Replacement	-	-
Law Enforcement Center	2,486,524	-
TIRZ #1	-	744,235
Water and Sewer Fund	-	1,667,461
TOTAL	$6,316,898	$6,316,898

The General Fund received a transfer from the Water and Sewer Fund for a payment-in-lieu of taxes, in the amount of $1,667,461, for services provided as part of the City's ordinary government.

Interfund activity from the General Fund and the non-major funds is for the purpose of purchase, construction, and improvements of capital assets for government-wide purposes. The interfund activity to the LEC is for the purpose of running a city jail facility. These transfers are budgeted annually. The unexpended funds within the non-major funds generally are reappropriated upon the adoption of the next fiscal year's budget. These interfund transfers within the Governmental Fund Types are eliminated upon the reporting of government-wide financial statements.

H. Long-Term Debt

Governmental Activities -

General Obligation Bonds, Loans, and Certificates of Obligation

The general obligation bonds, loans, and certificates of obligation are serial and term debt collateralized by the full faith and credit of the City and are payable from property taxes. The debt matures annually in varying amounts through 2041, and interest is payable semiannually. Proceeds of general obligation bonds are recorded in the Capital Projects Funds and are restricted to the use for which they were approved in the bond elections. Certificates of obligation bonds and loan proceeds are recorded in the appropriate fund for which the debt was issued and approved by the City. The City Charter expressly prohibits the use of bond proceeds to fund operating expenditures.

In 2020, the City issued $24,245,000 in Combination Tax and Revenue Certificates of Obligation Bonds, Series 2020. The bonds of $24,245,000 plus premiums of $1,372,050 and less issuance costs of $216,550 will be used for the design, development, and construction of public infrastructure and land acquisition.

In 2020, the City issued $4,475,000 in General Obligation Refunding, Series 2020 for the purpose of refunding the Series 2009 General Obligation Refunding Bonds, the Series 2011 Certificates of Obligation, and the Series 2011 General Obligation Refunding Bonds. The refunding resulted in a net present value of cash savings of $378,603.

In 2020, the City refunded debt at which time the reacquisition price exceeded the net carrying amount of the old debt by $151,541 and resulted in an economic gain of $420,699. This deferred amount on refunding is being amortized over the refunded debt's life using the straight-line method, since the

refunded debt's life was shorter than the life of the new debt. The deferred amount on refunding was $9,068 at September 30, 2020.

The total amount of deferred loss on refunding for the governmental bonds was $2,357,349 at September 30, 2020.

General obligation debt outstanding at September 30, 2020 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012 GO Refunding	2.00% to 3.13%	2025	5,855,000	4,310,000
2012 CO	2.00% to 4.00%	2032	3,415,000	2,315,000
2012A CO	3.49% to 4.65%	2032	3,075,000	2,135,000
2013 CO	2.00% to 4.00%	2033	5,335,000	3,820,000
2013 GO Refunding	2.00% to 4.00%	2025	4,200,000	2,315,000
2013A GO Refunding	2.00% to 3.00%	2023	2,880,000	995,000
2014 CO	2.50% to 4.38%	2034	16,500,000	13,180,000
2014A CO	2.00% to 4.13%	2034	1,255,000	1,000,000
2015 CO	2.00% to 5.00%	2035	15,870,000	12,830,000
2015 GO Refunding	4.00% to 5.00%	2027	11,700,000	5,985,000
2016 GO Refunding	1.35% to 3.71%	2028	3,770,000	2,795,000
2016 CO	2.00% to 5.00%	2036	13,705,000	11,820,000
2016 GO Refunding	2.00% to 5.00%	2036	14,885,000	12,240,000
2016A CO	1.25% to 3.90%	2041	2,960,000	2,690,000
2017 CO	3.00% to 5.00%	2037	18,975,000	17,075,000
2018 CO	3.00% to 4.00%	2038	15,960,000	14,790,000
2019 CO	3.00% to 4.00%	2039	13,750,000	13,285,000
2020 CO	2.00% to 4.00%	2040	24,245,000	24,245,000
2020 GO Refunding	2.00% to 4.00%	2031	4,475,000	4,475,000
TOTAL				$152,300,000

Annual debt service requirements to maturity for general obligation debt, including interest of $47,433,368, are as follows:

Fiscal Year	Principal	Interest	Total
2021	10,660,000	5,758,778	16,418,778
2022	10,410,000	5,370,380	15,780,380
2023	10,030,000	4,969,931	14,999,931
2024	10,435,000	4,567,455	15,002,455
2025	9,975,000	4,148,720	14,123,720
2026-2030	43,595,000	14,872,682	58,467,682
2031-2035	38,110,000	6,564,976	44,674,976
2032-2040	18,905,000	1,176,936	20,081,936
2041	180,000	3,510	183,510
TOTAL	$152,300,000	$47,433,368	$199,733,368

Special Sales Tax Revenue Bonds

The Special Sales Tax Revenue Bonds are special limited obligations of the MPFDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually. The proceeds of these bonds are to be used for their legal purposes as prescribed in the statutes of the State of Texas.

As of September 30, 2020 there was $-0- of defeased debt outstanding related to the Sales Tax Revenue Bonds.

Special Sales Tax Revenue and Revenue Refunding Bonds outstanding at September 30, 2020 are as follows:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 3.25%	2024	4,995,000	1,320,000
2016	2.00% to 4.00%	2035	6,775,000	5,095,000
2016	1.05% to 4.83%	2040	14,930,000	13,630,000
2016A	1.50% to 2.95%	2041	8,295,000	7,560,000
2018	3.00% to 4.00%	2043	2,325,000	2,190,000
2018	2.54% to 4.35%	2043	3,785,000	3,650,000
TOTAL				$33,445,000

Debt service requirements to maturity for Special Sales Tax Revenue Bonds, including interest of $14,811,747, are as follows:

Fiscal Year	Principal	Interest	Total
2021	1,855,000	1,298,358	3,153,358
2022	1,910,000	1,247,861	3,157,861
2023	1,965,000	1,192,847	3,157,847
2024	2,030,000	1,134,077	3,164,077
2025	1,735,000	1,065,917	2,800,917
2026-2030	7,455,000	4,438,284	11,893,284
2031-2035	7,555,000	3,025,471	10,580,471
2036-2040	7,730,000	1,325,876	9,055,876
2041-2045	1,210,000	83,056	1,293,056
TOTAL	$33,445,000	$14,811,747	$48,256,747

Changes in long-term liabilities

Long-term debt activity for the year ended September 30, 2020 was as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
General Obligation Bonds	$ 138,115,000	$ 28,720,000	$ (14,535,000)	$ 152,300,000	$ 10,660,000
Sales Tax Revenue Bonds	35,260,000	-	(1,815,000)	33,445,000	1,855,000
Deferred Amounts:					
Premiums	9,678,865	1,594,927	(921,258)	10,352,534	802,545
Discounts	(901,954)	-	202,929	(699,025)	(57,399)
Total bonds payable	182,151,911	30,314,927	(17,068,329)	195,398,509	13,260,146
Compensated absences	7,530,700	3,405,744	(1,901,477)	9,034,967	2,197,156
Total	$ 189,682,611	$ 33,720,671	$ (18,969,806)	$ 204,433,476	$ 15,457,302
Net Pension Liability	$ 25,641,058	$ -	$ (8,533,013)	$ 17,108,045	
Net OPEB Liability	31,986,834	9,294,303	(2,153,891)	39,127,246	
Total OPEB Liability - SDBF	917,323	162,880	(53,838)	1,026,365	
Total pension & OPEB liabilities	$ 58,545,215	$ 9,457,183	$ (10,740,742)	$ 57,261,656	

For the governmental activities, compensated absences are generally liquidated by the general fund or the respective special sales tax fund.

Business-Type Activities -

Water and Sewer Fund

The water and sewer fund revenue bonds are payable from the gross revenues of the water and sewer system. Gross revenues are to be used first-to-pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2035, and interest is payable semiannually.

Waterworks and Sewer System Refunding and Revenue Bonds

The total amount of deferred loss on refunding for the water and sewer revenue bonds was $2,434,143 at September 30, 2020.

Water and sewer fund debt outstanding at September 30, 2020 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2009	3.00% to 4.50%	2030	$2,585,000	$1,525,000
2011	2.00% to 5.00%	2030	13,995,000	6,285,000
2012	2.00% to 3.00%	2023	2,320,000	675,000
2015	2.00% to 5.00%	2027	9,540,000	3,250,000
2016	2.00% to 5.00%	2035	24,510,000	19,345,000
TOTAL				$31,080,000

Debt service requirements to maturity for water and sewer fund debt, including interest of $8,167,085, are as follows:

Fiscal Year	Principal	Interest	Total
2021	3,300,000	1,435,871	4,735,871
2022	3,440,000	1,291,871	4,731,871
2023	3,065,000	1,141,034	4,206,034
2024	2,970,000	1,002,709	3,972,709
2025	2,875,000	864,181	3,739,181
2026-2030	13,335,000	2,173,019	15,508,019
2031-2035	2,095,000	258,400	2,353,400
TOTAL	$31,080,000	$8,167,085	$39,247,085

Law Enforcement Center

The Authority issued mortgage revenue bonds in 1989 to construct a 48-bed detention facility and administrative offices, for City use, and a 96-bed detention facility for surrounding agencies use (the Law Enforcement Complex). In 1991, the Authority purchased a 3.2-acre tract of land adjacent to the Law Enforcement Complex with proceeds from a property acquisition note, for future expansion. In 1993, additional mortgage revenue bonds were issued for a 96-bed expansion of the Law Enforcement Center, which was completed in January 1995.

Refunding Bonds

Law Enforcement Center Fund debt outstanding at September 30, 2020 comprises the following issue:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2016 GO	1.35% to 3.71%	2028	595,000	445,000
TOTAL				$445,000

Debt service requirements to maturity for Law Enforcement Center debt, including interest of $63,484, are as follows:

Fiscal Year	Principal	Interest	Total
2021	50,000	13,538	63,538
2022	50,000	12,210	62,210
2023	55,000	10,729	65,729
2024	50,000	9,177	59,177
2025	55,000	7,524	62,524
2026-2028	185,000	10,306	195,306
TOTAL	$445,000	$63,484	$508,484

Drainage Utility Fund

The Drainage Utility Fund revenue bonds are payable from the gross revenues of the drainage utility system. Gross revenues are to be used first to pay operating and maintenance expenses of the system, and second, to maintain revenue bond funds in accordance with the bond covenants. Remaining revenues may then be used for any lawful purpose. The debt matures annually in varying amounts through 2027, and interest is payable semiannually.

The total amount of deferred loss on refunding for the Drainage Utility bonds was $95,307 at September 30, 2020.

Drainage Utility Fund debt outstanding at September 30, 2020 comprises the following issues:

Date Issued	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2007	4.00% to 4.30%	2027	$2,200,000	$975,000
2012	2.00% to 3.13%	2024	3,740,000	1,340,000
TOTAL				$2,315,000

Debt service requirements to maturity for Drainage Utility debt, including interest of $274,003, are as follows:

Fiscal Year	Principal	Interest	Total
2021	440,000	79,750	519,750
2022	460,000	66,710	526,710
2023	475,000	52,175	527,175
2024	490,000	36,238	526,238
2025	145,000	19,350	164,350
2026-2027	305,000	19,780	324,780
TOTAL	$2,315,000	$274,003	$2,589,003

Changes in business-type activity debt

A summary of business-type activity debt transactions, including activity for the year ended September 30, 2020, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
Water/Sewer Revenue Bonds	$ 34,260,000	$ -	$ (3,180,000)	$ 31,080,000	$ 3,300,000
LEC Certificates of Obligation	490,000	-	(45,000)	445,000	50,000
Drainage Utility Revenue Bonds	2,745,000	-	(430,000)	2,315,000	440,000
Deferred Amounts:					
Premiums	3,931,177	-	(304,965)	3,626,214	304,964
Discounts	(216,422)	-	20,812	(195,610)	(20,812)
Total bonds payable	41,209,755	-	(3,939,153)	37,270,604	4,074,152
Compensated absences	2,224,826	858,416	(2,224,826)	858,416	200,631
Total	$ 43,434,581	$ 858,416	$ (6,163,979)	$ 38,129,020	$ 4,274,783
Net Pension Liability	$ 6,724,309	$ -	$ (2,723,148)	$ 4,001,161	
Net OPEB Liability	9,789,741	709,007	(2,136,511)	8,362,237	
Total OPEB Liability - SDBF	252,913	115,873	(128,743)	240,043	
Total pension & OPEB liabilities	$ 16,766,963	$ 824,880	$ (4,988,402)	$ 12,603,441	

For financial reporting purposes, the unamortized premiums and discounts have been netted against total bonds outstanding.

The Business-Type Activity long-term debt will be repaid, plus interest, from the operating revenues derived primarily from water sales, sewer service charges, and drainage service charges and from revenues derived from housing other agencies' prisoners or operating transfers from the general fund.

Discretely Presented Component Unit

Mansfield Economic Development Corporation

The Sales Tax Revenue Refunding Bonds are special limited obligations of the MEDC payable from proceeds of an additional ½ of 1% sales and use tax levied by the City. The bonds are serial obligations payable annually in varying amounts with interest payable semiannually.

The total amount of deferred loss on refunding for the MEDC bonds was $92,602 at September 30, 2020.

MEDC debt outstanding at September 30, 2020 comprises the following issues:

Series	Interest Rates	Date Series Matures	Amount of Original Issue	Bonds Outstanding
2012	2.00% to 4.00%	2032	$3,090,000	$2,050,000
2015A	0.50% to 3.55%	2024	5,630,000	2,385,000
2015	2.00% to 4.00%	2024	2,880,000	1,235,000
2016	2.00% to 4.00%	2036	14,125,000	11,915,000
2018	2.52% to 4.29%	2038	6,200,000	5,845,000
TOTAL				$23,430,000

Debt service requirements to maturity for MEDC debt, including interest of $7,383,466, are as follows:

Fiscal Year	Principal	Interest	Total
2021	1,795,000	868,484	2,663,484
2022	1,850,000	810,857	2,660,857
2023	1,905,000	748,848	2,653,848
2024	1,980,000	680,028	2,660,028
2025	1,070,000	606,730	1,676,730
2026-2030	5,995,000	2,389,225	8,384,225
2031-2035	6,590,000	1,137,709	7,727,709
2036-2039	2,245,000	141,585	2,386,585
TOTAL	$23,430,000	$7,383,466	$30,813,466

Changes in MEDC Debt

A summary of MEDC debt transactions, including activity for the year ended September 30, 2020, is as follows:

	Balance Beginning of Year	Increase	Decrease	Balance End of Year	Due Within One Year
MEDC Revenue Bonds	$ 25,170,000	$ -	$ (1,740,000)	$ 23,430,000	$ 1,795,000
Deferred Amounts:					
Premiums	1,097,409	-	(66,653)	1,030,756	66,653
Discounts	(165,473)	-	13,394	(152,079)	(13,394)
Total bonds payable	26,101,936	-	(1,793,259)	24,308,677	1,848,259
Compensated absences	74,073	91,442	(74,073)	91,442	5,982
Total Noncurrent Liabilties	$ 26,176,009	$ 91,442	$ (1,867,332)	$ 24,400,119	$ 1,854,241
Net Pension Liability	$ 235,863	$ -	$ (84,916)	$ 150,947	
Net OPEB Liability	239,492	42,669	(14,722)	267,439	
Total OPEB Liability - SDBF	8,842	42,319	(42,105)	9,056	
Total pension & OPEB liabilities	$ 484,197	$ 84,988	$ (141,743)	$ 427,442	

I. Restricted Assets

The restricted assets of the Business-type Activities as of September 30, 2020 included the following legal use restrictions.

Enterprise Fund	Revenue Bond Sinking and Reserve Fund	Bond Construction Fund	Inmate Trust Fund	Total
Water and Sewer Fund	$3,942,193	$11,374,629	$ -	$15,316,822
Law Enforcement Complex	22,702	10,482	122,412	155,596
Drainage Utility	75,651	-	-	75,651
TOTAL	$4,040,546	$11,385,111	$122,412	$15,548,069

The ordinance authorizing the issuance of Water and Sewer System revenue bonds requires that the City establish a sinking fund (Revenue Bond Sinking and Reserve Fund) in an amount not less than the average annual requirement for the payment of principal and interest on all the revenue bonds. At September 30, 2020, the sinking fund balance is sufficient to satisfy such bond ordinance requirements. The bond ordinance also contains provisions, which, among other items, restrict the issuance of additional revenue bonds unless the special funds noted above contain the required amounts and the pledged revenues are equal to or greater than 1.25 times the average annual debt service requirements after giving effect to the proposed additional bonds and any proposed rate increases. In addition, the bond ordinance requires that the annual gross revenues of the Water and Sewer System, less annual operation and maintenance expenses (excluding depreciation and amortization expense), be at least 1.10 times the annual principal and interest requirements of all the outstanding revenue bonds.

The ordinance further requires that the proceeds from the sale of revenue bonds be expended for certain capital improvements to the Water and Sewer System. The unspent proceeds are maintained as restricted assets until such time as needed to fund the Water and Sewer System construction program.

The ordinance authorizing the issuance of the Certificates of Obligation requires that the City establish an interest and sinking fund to provide for principal and interest requirements as they become due.

J. Retirement Plan

Plan Description:

The City participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided:

TMRS provides retirement, disability, and death benefits. Benefits provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2018	Plan Year 2019
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% repeating, transfers	100% repeating, transfers
Annuity Increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

Employees covered by benefit terms:

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	206
Inactive employees entitled to but not yet receiving benefits	184
Active employees	509
Total	899

Contributions:

The contribution rates for employees in TMRS is 7% of employee gross earnings, and the city matching percentage is 15.39%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of the benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their gross earnings during the fiscal year. The contribution rates for the City were 14.95% and 15.39% in calendar years 2019 and 2020 respectively. The City's contributions to TMRS as of September 30, 2020 were $6,393,535 and were equal to the required contributions.

Net Pension Liability:

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4 year set forward for males and a 3 year set forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption of Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Globa Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in the statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Positon (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	$ 175,739,830	$ 143,138,600	$ 32,601,230
Changes for the year:			
Service Cost	6,740,954	-	6,740,954
Interest	11,894,334	-	11,894,334
Change in benefit terms	-	-	-
Difference between expected and actual experience	250,026	-	250,026
Changes of assumptions	78,667	-	78,667
Contributions - employer	-	5,636,312	(5,636,312)
Contributions - employee	-	2,639,076	(2,639,076)
Net investment income	-	22,158,465	(22,158,465)
Benefit payments, including refunds of employee contributions	(5,795,914)	(5,795,914)	-
Administrative expense	-	(125,039)	125,039
Other changes	-	(3,756)	3,756
Net changes	$ 13,168,067	$ 24,509,144	$ 11,341,077
Balance at 12/31/2019	$ 188,907,897	$ 167,647,744	$ 21,260,153

Sensitivity of the net pension liability (asset) to changes in the discount rate:

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
$ 51,084,393	$ 21,260,153	$ (3,007,501)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2020, the City recognized expense of $7,237,672.

At September 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

	Recognition period (or amortization yrs)	Total (Inflow) or Outflow of Resources	2020 Recognition in current pension expense	Deferred (Inflow)/ Outflow in future expense
2014 difference in **experience** (inflows)/outflows	1.9001	$ 19,977	$ 9,463	$ 9,463
2015 difference in **experience** (inflows)/outflows	2.7300	$ 65,769	$ 24,091	$ 41,678
2016 difference in **experience** (inflows)/outflows	3.7900	$ 1,098,001	$ 289,710	$ 808,291
2017 difference in **experience** (inflows)/outflows	4.7300	$ 606,680	$ 128,262	$ 478,418
2018 difference in **experience** (inflows)/outflows	5.4200	$ 1,869,416	$ 344,911	$ 1,524,505
2019 difference in **experience** (inflows)/outflows	6.0500	$ 250,025	$ 41,325	$ 208,700
			$ 837,762	$ 3,071,055
2015 difference in **assumptions** - (inflows)/outflows	2.7300	$ (271,790)	$ (99,557)	$ (172,233)
2019 difference in **assumptions** - (inflows)/outflows	6.0500	$ 78,667	$ 13,003	$ 65,664
			$ (86,554)	$ (106,569)
2016 deficit **investment returns** - (inflows)/outflows	2.0000	$ (5,742)	$ (2,871)	$ (2,871)
2017 deficit **investment returns** - (inflows)/outflows	3.0000	$ (5,296,912)	$ (1,765,637)	$ (3,531,275)
2018 excess **investment returns** - (inflows)/outflows	4.0000	$ 11,256,114	$ 2,814,029	$ 8,442,086
2019 deficit **investment returns** - (inflows)/outflows	5.0000	$ (12,496,609)	$ (2,499,322)	$ (9,997,287)
			$ (1,453,801)	$ (5,089,347)
				$ (2,124,861)

$4,878,120 (including $34,635 for MEDC) reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2020	$ (702,593)
2021	(688,806)
2022	1,071,082
2023	(2,006,448)
2024	199,191
Thereafter	2,713
Total	$(2,124,861)

K. Supplemental Death Benefits

The City also participates in the single-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected by ordinance to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for $7,500; this coverage is an "other postemployment benefit," or OPEB. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated in a trust meeting the criteria in paragraph 4 of GASB Statement No. 75). TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	162
Inactive employees entitled to but not yet receiving benefits	45
Active employees	509
Total	716

Contributions:

The contribution rates for employees in SDBF is .02% of employee gross earnings, and the city matching percentages is .16%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the EAN actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

Employees for the City were required to contribute .02% of their gross earnings during the fiscal year. The contribution rates for the City were .15% and .16% in calendar years 2019 and 2020 respectively. The City's contributions to SDBF as of September 30, 2020 were $65,265 and were equal to the required contributions.

Total OPEB Liability - SDBF:

The City's total OPEB Liability - SDBF was measured and determined by an actuarial valuation as of December 31, 2019.

Actuarial Assumptions:

The total OPEB Liability - SDBF in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5% per year, including inflation
Discount rate	2.75%, based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019
Retirees' share of benefit-related costs	$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates- disabled retirees	2019 Municipal Retirees of Texas Mortality Table with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

Changes in the total OPEB liability - SDBF:

Balance at 12/31/2018	$	1,179,078
Changes for the year:		
Service Cost		49,011
Interest		44,513
Differences between expected and actual experience		(203,949)
Changes in assumptions or other inputs		214,351
Benefit payments*		(7,540)
Net changes		96,386
Balance at 12/31/2019	$	1,275,464

*Due to the SDBF being considered an unfunded SDBF plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Sensitivity of the total OPEB liability - SDBF to changes in the discount rate:

The following presents the total OPEB liability - SDBF of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability - SDBF would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease 1.75%	Current Discount Rate 2.75%	1% Increase 3.75%
Total OPEB liability	$1,569,863	$1,275,464	$1,048,914

OPEB Plan Fiduciary Net Position:

Detailed information about the plan's fiduciary net position is available in a separately issued TMRS financial report. That report may be obtained on the internet at www.tmrs.com.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (SDBF):

For the year ended September 30, 2020, the City recognized expense of $113,910.

At September 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2020 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2019 Change in assumptions	7.7300	$ 214,351	$ 27,730	$ 186,621
2018 Change in assumptions	7.0400	(71,230)	(10,118)	(61,112)
2017 Change in assumptions	6.0400	66,918	11,079	55,839
2019 Difference in expected and actual experience	7.7300	$ (203,949)	$ (26,384)	(177,565)
2018 Difference in expected and actual experience	7.0400	127,275	18,079	109,196
			$ 20,386	$ 112,979

$50,715 was reported as deferred outflows of resources related to OPEB (SDBF) resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total

OPEB liability - SDBF for the fiscal year ending September 30, 2021. Other amounts reported as deferred outflows and inflows of resources related to OPEB (SDBF) will be recognized in pension expense as follows:

	Net deferred outflows (inflows) of resources
2021	$ 20,386
2022	20,386
2023	20,386
2024	20,386
2025	20,386
Thereafter	11,049
Total	$ 112,979

L. Other Post-Employment Benefits - OPEB

Plan Description

City employees retiring on TMRS will be provided the opportunity to receive health insurance benefits from the City from the City's existing health care plan. The City established by ordinance a single-employer defined benefit postemployment healthcare plan that covers retired employees of the City. The City established an irrevocable trust and contracted with an administrator as well as a custodial bank to manage the plan's assets or the retiree's medical benefits.

The plan does not issue a stand-alone financial report. For inquiries relating to the plan, please contact: The City of Mansfield, Business Services Division, 1200 East Broad Street, Mansfield, Texas 76063.

Measurement Focus and Basis of Accounting

The City of Mansfield, Texas Retiree Health Insurance Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the determination of the employer.

Benefits

City employees will be provided the opportunity to elect employer-subsidized health programs until the age of 65. Employees and their dependents who retire before the age of 65 with ten years of service and less than 20 years of service are eligible to receive full health insurance coverage as a life time benefit at the same cost of an active employee. Employees and their dependents who retire with 20 years of service are eligible to receive full health insurance coverage as a life time benefit; while their dependents are eligible for full health insurance coverage they must pay the same cost as an active employee for full insurance coverage of their dependents.

Employees

At the time of the actuarial valuation, the City had 452 active plan members and 104 retired plan members receiving benefits. Of the retired members, 40 had less than 20 years of service and 64 had more than 20 years of service.

Contributions

Participants included in the actuarial valuation include retirees and survivors, and active employees who may be eligible to participate in the Plan upon retirement. Eligible retired employees participating in the City's Retiree Health Insurance Plan pay their premiums directly to the City. Expenditures for post-retirement healthcare and other benefits are recognized monthly and funded into the irrevocable trust. The City funds 100% of the actuarially determined contribution (ADC), which approximates the annual OPEB cost, and totaled $2,410,000 for the fiscal year ended September 30, 2020.

Net OPEB Liability

The City's net OPEB liability (NOL) was measured as of June 30, 2020 and the total OPEB liability (TOL) used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The NOL in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	PRI-2012 Total Dataset Mortality Table with Improvement Scale MP-2019
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table from RP-2014 Mortality Table to PRI-2012 Total Dataset Mortality Table. Also, improvement scale has been changed from MP-2018 to MP-2019.
Salary rate	3% per annum

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50

55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

The plan's policy in regard to the allocation of invested assets is established by the City Council. The target asset allocation policy is 50% equity investments, 45% fixed income investments, and 5% cash. The long-term expected rate of return on plan investments used in the valuation was determined using a building-block method in which the City's best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighing the City's expected future real rate of return by the target asset allocation percentage and by adding expected inflation. The City's best estimates of geometric real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	50%	3.6%
Fixed Income	45%	0.9%
Cash	5%	0.0%
Inflation	N/A	2.5%
Total	100%	7.0%

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Positon (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2019	$ 58,992,696	$ 16,976,627	$ 42,016,069
Changes for the year:			
Service Cost	607,995	-	607,995
Interest	4,048,664	-	4,048,664
Difference between expected and actual experience	5,583,748	-	5,583,748

Changes of assumptions	(1,186,827)	-	(1,186,827)
Contributions - employer	-	2,628,940	(2,628,940)
Benefit payments	(2,628,940)	(2,628,940)	-
Net investment income	-	764,088	(764,088)
Administrative expense	-	(80,301)	80,301
Net changes	6,424,640	683,787	5,740,853
Balance at 6/30/2020	$ 65,417,336	$ 17,660,414	$ 47,756,922

Sensitivity of the Total Pension Liability to Changes in the Discount and Trend Rates

The following presents the net OPEB liability of the City, calculated using the discount rate of 7%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
Net OPEB Liability	$ 57,865,151	$ 47,756,922	$ 39,661,245

The following presents the net OPEB liability of the City, calculated using the trend rates of 7%, as well as what the City's net OPEB liability would be if it were calculated using trend rates that are 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rates:

	1% Decrease in Trend Rates (6.00%)	Trend Rates (7.00%)	1% Increase in Trend Rates (8.00%)
Net OPEB Liability	$ 39,599,154	$ 47,756,922	$ 57,825,189

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended September 30, 2020, the City recognized expense of $6,463,432.

At September 30, 2020 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Schedule of Outflows and Inflows - Current and Future Expense

Due to Liabilities:	Recognition Period (or Amortization yrs)	Total Remaining (Inflow) or Outflow of Resources	2019 Recognized in current OPEB expense	Deferred (Inflow)/Outflow in future expense
2018 Change in actuarial experience	2.3900	$ (782,277)	$ (327,313)	$ (454,964)
2020 Change in assumptions	3.9400	(1,186,827)	(301,225)	(885,602)
			$ (628,538)	$ (1,340,566)

Due to Assets:				
2018-2020 Net difference in projected and actual earnings on OPEB plan investments	5.0000	$ 567,123	$ 123,832	$ 443,291
2019 Difference between expected and actuarial experience	3.2000	6,674,637	2,085,824	4,588,813
2020 Difference between expected and actuarial experience	3.9400	5,583,748	1,417,195	4,166,553
			$ 3,626,851	$ 9,198,657
Total				$ 7,858,091

$2,410,000 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the fiscal year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ended September 30,	Net deferred outflows (inflows) of resources
2020	$ 2,998,313
2021	3,197,977
2022	1,560,252
2023	101,549
2024	-
Thereafter	-
Total	$ 7,858,091

Deferred Outflows and Inflows of Resources Related to Pensions and OPEBs

	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit	Total Deferred Outflows and Inflows
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	3,925,424	918,061	4,843,485	34,635	4,878,120
Deferred Net OPEB contributions	1,974,513	421,991	2,396,504	13,496	2,410,000
Deferred Total OPEB contributions - SDBF	40,811	9,544	50,355	360	50,715
Deferred investment losses - net OPEB	363,190	77,619	440,809	2,482	443,291
Deferred assumption changes - pension	52,840	12,358	65,198	466	65,664
Deferred assumption changes - SDBF	195,109	45,630	240,739	1,721	242,460
Deferred actuarial experience - pension	2,471,276	577,972	3,049,248	21,805	3,071,053
Deferred actuarial experience - net OPEB	7,173,272	1,533,065	8,706,337	49,029	8,755,366
Deferred actuarial experience - SDBF	87,870	20,551	108,421	775	109,196
	16,284,305	3,616,791	19,901,096	124,769	20,025,865
DEFERRED INFLOWS OF RESOURCES					
Deferred assumption changes - pension	138,596	32,414	171,010	1,223	172,233
Deferred assumption changes - net OPEB	725,574	155,069	880,643	4,959	885,602
Deferred assumption changes - SDBF	49,176	11,502	60,678	434	61,112
Deferred investment gains - pension	4,095,397	957,814	5,053,211	36,134	5,089,345
Deferred actuarial experience - net OPEB	372,752	79,664	452,416	2,548	454,964
Deferred actuarial experience - SDBF	142,885	33,419	176,304	1,261	177,565
	5,524,380	1,269,882	6,794,262	46,559	6,840,821
LIABILITIES					
Net pension liability	17,108,045	4,001,161	21,109,206	150,947	21,260,153
Net OPEB liability	39,127,246	8,362,237	47,489,483	267,439	47,756,922
Total OPEB liability - SDBF	1,026,365	240,043	1,266,408	9,056	1,275,464
	57,261,656	12,603,441	69,865,097	427,442	70,292,539

Immediately following the notes, the schedule of funding progress is presented for the Texas Municipal Retirement System plan along with Retiree Health Insurance Other Postemployment Benefits plan.

M. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of the City's management, the potential loss on all claims, if any, will not be material to the City's financial statements.

Audits of Grant Activities

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state grantor agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of City management, such disallowances, if any, will not be material to the City's financial statements.

General Equipment Commitments as of September 30, 2020 are as follows:

The City has entered into a general equipment commitment for Public Safety equipment. This lease agreement was entered into June 27, 2012. The amount of the equipment purchased was $2,073,235 to be repaid over a ten-year period at an interest rate of 3.53%. Annual payments subject to annual appropriation are to occur over the next three years as follows:

Fiscal Year	Annual Payment	Interest	Principal	Remaining Principal
2021	241,153	23,836	217,317	457,920
2022	241,153	16,165	224,988	232,932
2023	241,153	8,221	232,932	-
TOTAL	$723,459	$48,222	$675,237	

N. Contracts with Other Governmental Entities and Other Contracts

Water Supply

Raw water is supplied to the City through a contract between the City and the Tarrant Regional Water District (TRWD). The basic contract, which was renegotiated and approved by the TRWD and the City Council on September 10, 1979, provides for a contract period to run for the life of the bonds, which were issued by the TRWD to provide water to the City and thereafter for the life of the TRWD facilities serving the City. Water is provided to the City from the TRWD Cedar Creek Lake and Richland-Tehuacanna Reservoir. Under the contract, the City has a take-or-pay gallon requirement based on the greater of 1.3 million gallons or the average daily consumption for the previous five-year period. The rate to be charged to the City for raw water is based upon the TRWD cost of debt service, operation and maintenance expenses, and any other miscellaneous expenses in connection with its water supply facilities. These costs will be allocated on a proportionate share based upon actual water consumption of the City in relation to the actual use by the City of Fort Worth and the Trinity River Authority (TRA) after crediting the amount received by the TRWD from water sales to the City of Arlington and other customers. The current rate charged for raw water has been calculated to be $1.26520 per 1,000 gallons, with a total cost of $5,667,444 during fiscal year 2020. It is estimated that the raw water supply available to the City under the contract is adequate for the ultimate development of the City.

In addition, the City has a contract with the City of Arlington to purchase treated water up to 1.0 M.G.D. on a demand basis. The City has the option to renegotiate the Arlington water purchase contract on an as-needed basis.

Sewer Treatment

On August 23, 1974, the City Council approved a contract with the TRA to become a contracting party in the TRA's Central Regional Wastewater System, along with 19 other area cities and the Dallas/Fort Worth International Airport.

The contracting parties have agreed to pay the TRA its net cost of operation and maintenance, including debt service requirements, on the Central System. Payments made by the respective cities are pursuant to authority granted by Article 1109i, Vernon's Annotated Texas Civil Statutes, as amended, and Chapter 30, Texas Water Code, as amended, and constitute operating expenses of their waterworks and sewer systems.

The expense of operating TRA's Central System, including administrative overhead and amounts necessary to pay debt service, is paid monthly by the contracting parties based on a formula of dividing each contracting party's estimated contributing flow to the Central System for such year by the total

estimated contributing flow by all contracting parties being served at the beginning of each such year, with a year-end adjustment based on actual metered contributing flow to the Central System by all contracting parties. For fiscal year 2020, the City's cost for sewer treatment under the contract was $7,372,667.

Law Enforcement Complex Housing Commitment

On January 1, 2017, the City entered into an IGA with the USMS to provide for the housing, safekeeping, and subsistence of adult male and female federal prisoners. The City began housing prisoners from the Immigration and Naturalization Service pursuant to the terms and conditions of the USMS contract or IGA. On January 1, 2017, the City and the USMS agreed for the City to house federal prisoners and other related governmental agencies' prisoners at a cost of $66.30 per day, effective January 1, 2017.

If any net losses or capital requirements should arise in the future, the City will be required to make cash advances and/or operating transfers from the general fund to fund these operating and capital requirements. The City cannot reasonably estimate the amounts, if any, of the advances or operating transfers that may be required.

During fiscal year 2020 the City made the decision to convert the LEC to a city jail in fiscal year 2021. Operations and statement of net position items will be transferred to the General Fund and be operated as department.

Mansfield National Golf Club

In June 1999, the City entered into an agreement with MPFDC and Evergreen Alliance Golf Limited, L.P., a Delaware limited partnership, to construct an 18-hole golf course. The agreement named the property on which the course was constructed: Mansfield National Golf Club. Mansfield National Golf Club was constructed by Evergreen Alliance Golf Limited, L.P. (Alliance) during FY99 and FY00 on property owned by MPFDC in the City. The Mansfield National Golf Club opened in November 2000. During the course of the construction, Alliance assumed the financial obligation and risk of constructing the course on the MPFDC property. Upon completion of the construction of Mansfield National Golf Club, a long-term lease agreement was entered into by the MPFDC and Alliance to manage and operate the course for a period of 50 years. In the agreement, Alliance agreed to pay the MPFDC a Base Rent for occupying the property during the term of the Lease. The following summarizes the terms of the base rent:

Lease years 01 through and including 10:	$ 0.00 per lease year
Lease years 11 through and including 20:	$ 50,000 per lease year
Lease years 21 through and including 30:	$100,000 per lease year
Lease years 31 through and including 40:	$125,000 per lease year
Lease years 41 through and including 50:	$175,000 per lease year

The value of the improvements made to the property, subject to and reserving the leasehold rights of Alliance as defined by the agreement, became the vested rights of MPFDC and subsequently the vested rights of the City. The rights of the value of improvements have been used as collateral for financing the cost of constructing the improvements. The improvements or rights of the value of the improvement are not carried or recognized as an asset by the MPFDC. However, upon the dissolution of the lease agreement, the rights of the value of the improvements are to be recognized as an asset by the MPFDC. The MPFDC has the right of first refusal and the authority to approve or disapprove future assignments of the rights made by Alliance. In the event Alliance becomes insolvent, certain remedies are permitted by the agreement and in no circumstance is the MPFDC obligated to or committed to Alliance's creditors.

The City is accruing a lease receivable of $90,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Evergreen Alliance Golf Limited, L.P. (Alliance), assigned 100% of the interest in the operations and maintenance lease to CF Mansfield National Arcis, LLC.

Sports Park – Big League Dreams

During fiscal year 2008, the City completed the construction of a multipurpose recreational sports park known as "Big League Dreams Mansfield Sports Park," BLDMSP. The City spent $26.4 million on the facility, which includes eight lighted theme baseball/softball fields, one multipurpose facility, open park areas, and administrative offices on a 40 acre tract of land.

The City contracted with a Texas Limited Partnership, Big League Dreams Mansfield, L.P., or BLD, to manage, operate, and maintain the park for 40 years effective upon the completion of the construction of BLDMSP. This agreement is referred to as a maintenance and operation agreement. BLD is an affiliate of Big League Dreams USA, LLC, or BLD USA, a California company, which has affiliates in several states including Texas, Arizona, and California. BLD USA also owns the intellectual rights and has a proprietary interest in the Total Image, Name and Marks, and Logo, BLD USA. The City has contracted with BLD USA to use their intellectual rights for BLDMSP through a license agreement. The term of this license agreement is concurrent to the term of the maintenance and operation agreement.

The terms of the agreement give BLD the right to operate and maintain the BLDMSP for an initial term of 30 years with the two separate options of extending the contract for 5 years in periods following the original term of 30 years. BLD is to maintain and operate the park from the use of the facility by the public. BLD is able to charge fees and is to pay for the cost of maintaining, insuring, and operating the park. For the right to maintain, insure, and operate the BLDMSP, BLD is to pay the City a minimum operating fee of $100,000 per year with escalation provisions based upon annual gross revenues achievements. The payments are to commence after a waiver period of at least 12 months.

There are provisions for the termination of this agreement in the event of well-defined circumstances of default by either the City or BLD USA. In the event of an agreed-upon default, the City or BLD has exhaustive rights to remedy or cure the default. There is no right of assignment outside the assignment to an affiliate of either entity.

Water Park – Hawaiian Falls

In fiscal year 2008, the City completed the construction and capitalized the costs of a water park. The cost of the park capitalized was $8.9 million.

To construct, operate, and maintain the water park, the City contracted with Mansfield Family Entertainment, LLC, MFE, commonly referred to as Hawaiian Falls. The term of the agreement is for a period of 40 years with two 5-year renewal options succeeding the term of 40 years. The agreement allows MFE to operate and maintain the park by leasing the water park from City. MFE has the right to charge fees to operate and maintain the park. The City granted a rent holiday or reprieve from annual lease payments for a period of 7 years. However, if the gross receipts generated from the operation of the water park exceed $2,500,000 in any year within the 7-year rent holiday, MFE is to begin paying an annual lease payment of at least 5% of gross revenues thereafter.

By agreement, MFE acknowledges the title of City in and to land constituting the premises and the real property improvements including appurtenances constructed by either party and agrees never to contest such title.

The parent company of Mansfield Family Entertainment, LLC (MFE), Horizon Family Holdings, LLC sold 100% of the interest of Horizon Family Holdings to Source Horizon, LLC. This transaction allows for the ground lease with MFE to continue without disruption.

Source Horizon, LLC replaced MFE with STORE Master Funding VIII, LLC as the leaseholder with a sublease to ProParks Management dba PPW Mansfield, LLC.

Fieldhouse

In fiscal year 2017, the City completed construction of an indoor basketball and volleyball facility. The facility will have at least 90,000 square feet and will have space for 8 basketball courts or 12 volleyball courts. The cost of the sports facility capitalized was $12.6 million.

To operate and maintain the basketball and volleyball facility, the City contracted with Mansfield Fieldhouse, LLC, commonly referred to as Fieldhouse. The term of the lease and operating agreement is for a period of 25 years with a first extension period of 10 years and a second extension period of 5 years. Per the lease, Fieldhouse may charge fees in order to maintain and operate the sports facility. Base rent in years 1-5 will be $300,000 per year. Base rent in years 6-25 will be equal to $500,000 per year. Beginning in year 3 of the lease, Fieldhouse will pay 10% of the Gross Revenues in addition to the base rent up to a maximum total payment of $600,000 annually. In years 4-25, Fieldhouse will pay 15% of Gross Revenues in addition to the base rent up to a maximum total rent payment of $600,000 annually. Percentage rents are waived for years 1 & 2 for ramp up of operations.

In the year of the commencement date, the City will annually accrue a lease receivable of $460,000 to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Stars Center

In September 2016, the City entered into a lease and operating agreement with DSE Hockey Centers LP to construct, develop, complete and own for public purposes an indoor recreational ice skating rink and sports center. The facility will be approximately 80,000 gross square feet with two ice surfaces.

The lease and operating agreement between the City and DSE Hockey Centers LP is for a 30 year period. DSE Hockey Center, LP prepaid rent and deposits of $1,500,000 and $600,000 respectively as of September 30, 2016 and will pay an additional deposit of $400,000 upon the occupancy of the facility. This amount will be repaid over the next 20 years. The security deposit is recognized as a liability and the prepaid rent is recognized as a deferred inflow of resources to be repaid over the period of 20 years.

The term of the lease is for 30 years and the following summarizes the base rent:

Lease years 01 through and including 05:	$440,000 per lease year;
Lease years 06 through and including 07:	$500,000 per lease year;
Lease years 08 through and including 13:	$600,000 per lease year;
Lease year 14:	$640,000 per lease year;
Lease years 15 through and including 30:	$660,000 per lease year.

Beginning in the fiscal year of lease commencement, the City will accrue $600,000 per year to recognize future rental income over the term of the lease on a straight-line basis. The contract provides termination rights by either party with certain legal remedies.

Mansfield Economic Development Corporation Commitments

The Mansfield Economic Development Corporation was established to promote, encourage and incentivize economic development within the City. Since its inception, the Corporation has promoted industrial and commercial development through incentive agreements that are designed to encourage existing business expansion and new business growth within the City. Since inception, the Corporation has assisted companies in making the City their home by providing economic assistance. In return, those companies have made cumulative capital investments and created jobs within the City.

In continuance of the City's economic development program, the Corporation has made additional commitments to incentivize industry over the next several years. These commitments are generally contingent upon the industry's capital investments and creation of new jobs or other criteria determined by the Corporation. The arrangements vary in amounts and allow for reimbursements for capital costs or expansion costs incurred by the industries. These commitments require stringent performance commitments by the respective industries to qualify for the incentives. To date, the Corporation has made commitments to be administered over the next several years in the amounts of $1.1 million in year 2021, $3.8 million in year 2022, and $1.2 million in year 2023. These commitments and amounts may change from year to year depending upon the performance of the industries, and their ability to meet the performance standards as established by the Corporation. In the event, the Corporation deems the industries performance insufficient, the Corporation can restructure, extend, void or recover the commitments.

O. Tax Abatements

The City of Mansfield entered into 380 agreements with local businesses under the State of Texas Local Government Code 380. Under the Local Government Code, municipalities may establish and provide for the administration of one or more programs, including programs for making loans and grants of public money and providing personnel and services of the municipality, to promote state or local economic development and stimulate business and commercial activity in the municipality. The abatements may be granted to any business located within or promising to relocate to the City of Mansfield, Texas.

For the fiscal year ended September 30, 2020, the City of Mansfield, Texas abated property and sales taxes totaling $625,349 under this program, including the following tax abatement agreements:

A 100% property tax abatement to a tool manufacturer for building a manufacturing center in the industrial district. The abatement amounted to $539,976.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $46,598.

An 80% sales tax abatement to a home builder for materials purchased within the City of Mansfield, Texas. The abatement amounted to $20,927.

A 50% sales tax abatement to developer for constructing a multi-family facility within the City of Mansfield, Texas. The abatement amounted to $17,848.

P. Conduit Debt Obligations

In prior years, the City has issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

There are no series of Industrial Revenue Bonds outstanding as of the fiscal year-end.

Q. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City's general liability and workers' compensation program is managed through the purchase of a policy through a municipal pool that is separately administered. The City's health insurance is administered through an outside provider. The City makes specified contributions for employees and their dependents under this plan. Additionally, the City also offers dental, life insurance, and accidental death and dismemberment plans through an independent provider in which the City makes specified contributions for employees only under these plans. There have been no significant reductions in insurance coverage for any of these programs since last year, and settlements have not exceeded insurance coverage for any of the past three years.

R. Subsequent Events

Bond Issuance

On February 8, 2021 the City issued $7,425,000 in Waterworks and Sewer Revenue Refunding Bonds, the Series 2021. The debt was issued to refund the Series 2009 Waterworks and Sewer Revenue Bonds, the Series 2011 Waterworks and Sewer Revenue Refunding and Improvement Bonds. The refunding resulted in an economic gain (difference between the present value of the debt service payment of the old debt and new debt) of $1,331,451.

S. New Accounting Pronouncements to be implemented after fiscal year 2020

In January 2017, the GASB issued Statement No. 84, Fiduciary Activities. The primary objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities for all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for fiscal years beginning after December 15, 2019. The City is in the process of evaluating the impact of this statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, Leases. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for fiscal years beginning after June 15, 2021. The City is in the process of evaluating the impact of this statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and

comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In January 2020, the GASB issued Statement No. 92, OMNIBUS 2020. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements addressing (1) the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports, (2) reporting intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan, (3) the applicability of Statement No. 73, Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits, (4) the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements, (5) measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, (6) reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, (7) reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature, and (8) terminology used to refer to derivative instruments. The requirements of this Statement are effective (1) upon issuance if related to Statement 87 and Implementation Guide 2019-3, (2) for fiscal years beginning after June 15, 2020 if related to Statement 73 and 74, and (3) for reporting periods beginning after June 15, 2020 if related to Statement 84 and related to measurement of liabilities (and assets, if any).

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The primary objectives of this Statement are to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by (1) providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment, (2) clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate, (3) clarifying that the uncertainty related to the continued availability of IBORs

does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable, (4) removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap, (5) identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap, and (6) clarifying the definition of reference rate, as it is used in Statement 53, as amended. The requirements of this Statement are effective (1) for reporting periods ending after December 31, 2021 if the removal of LIBOR as an appropriate benchmark interest rate, and (2) for reporting periods ending after June 15, 2020 for all other requirements of this Statement.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective is to postpone the effective dates of certain provisions by one year (1) Statement No. 83, Certain Asset Retirement Obligations, (2) Statement No. 84, Fiduciary Activities, (3) Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, (4) Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, (5) Statement No. 90, Majority Equity Interests, (6) Statement No. 91, Conduit Debt Obligations, (7) Statement No. 92, Omnibus 2020, (8) Statement No. 93, Replacement of Interbank Offered Rates, (9) Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting), (10) Implementation Guide No. 2018-1, Implementation Guidance Update—2018, (11) Implementation Guide No. 2019-1, Implementation Guidance Update—2019, and (12) Implementation Guide No. 2019-2, Fiduciary Activities. And postponed by 18 months (1) Statement No. 87, Leases, and (2) Implementation Guide No. 2019-3, Leases. The requirements of this Statement are effective immediately.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for or government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a

governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

MANSFIELD
TEXAS

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2020

Texas Municipal Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Total Pension Liability						
Service Cost	$ 5,030,515	$ 5,544,166	$ 6,096,131	$ 6,423,859	$ 6,781,902	$ 6,740,954
Interest (on the Total Pension Liability)	7,925,143	8,685,074	9,139,426	10,061,815	10,919,655	11,894,334
Difference between expected and actual experience	72,552	162,133	1,967,131	863,204	2,214,327	250,026
Change of assumptions	-	(670,018)	-	-	-	78,667
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)
Net Change in Total Pension Liability	10,631,943	11,259,860	14,322,369	12,826,109	14,800,347	13,168,067
Total Pension Liability - Beginning	111,899,202	122,531,145	133,791,005	148,113,374	160,939,483	175,739,830
Total Pension Liability - Ending (a)	$ 122,531,145	$ 133,791,005	$ 148,113,374	$ 160,939,483	$ 175,739,830	$ 188,907,897
Plan Fiduciary Net Position						
Contributions - Employer	$ 4,469,146	$ 4,630,258	$ 4,818,294	$ 5,249,682	$ 5,679,463	$ 5,636,312
Contributions - Employee	2,108,088	2,236,839	2,385,294	2,513,528	2,661,060	2,639,076
Net Investment Income (Loss)	5,606,309	158,951	7,585,611	17,197,200	(4,327,905)	22,158,465
Benefit payments, including refunds of employee contributions	(2,396,267)	(2,461,495)	(2,880,319)	(4,522,769)	(5,115,537)	(5,795,914)
Administrative Expense	(58,519)	(96,800)	(85,612)	(89,055)	(83,556)	(125,039)
Other	(4,811)	(4,781)	(4,613)	(4,513)	(4,365)	(3,756)
Net Change in Plan Fiduciary Net Position	9,723,946	4,462,972	11,818,655	20,344,073	(1,190,840)	24,509,144
Plan Fiduciary Net Position - Beginning	97,979,794	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600
Plan Fiduciary Net Position - Ending (b)	107,703,740	112,166,712	123,985,367	144,329,440	143,138,600	167,647,744
Net Pension Liability - Ending (a-b)	$ 14,827,405	$ 21,624,293	$ 24,128,007	$ 16,610,043	$ 32,601,230	$ 21,260,153
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	87.90%	83.84%	83.71%	89.68%	81.45%	88.75%
Covered Payroll	$ 30,115,541	$ 31,954,849	$ 34,075,932	$ 35,907,541	$ 38,015,147	$ 37,701,084
Net Position Liability as a Percentage of Covered Payroll	49.24%	67.67%	70.81%	46.26%	85.76%	56.39%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 6 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Years (will ultimately be displayed)

	September 30, 2020	September 30, 2019	September 30, 2018	September 30, 2017	September 30, 2016
Actuarially Determined Contribution	$ 6,393,535	$ 5,672,743	$ 5,648,240	$ 5,155,157	$ 5,048,183
Contributions in relation to the actuarially determined contribution	6,393,535	5,672,743	5,648,240	5,155,157	5,048,183
Contribution deficiency (excess)	-	-	-	-	-
Covered Payroll	$ 41,396,691	$ 37,574,173	$ 37,541,117	$ 35,161,865	$ 35,121,057
Contribtions as a Percentage of Covered Payroll	15.44%	15.10%	15.05%	14.66%	14.37%

Note: GASB 68 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 5 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions used to determine Contribution Rates:

Actuarial Cost Method Entry:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll, Closed
Remaining Amortization Period:	26 years
Asset Valuation Method:	10 Year smoothed market; 15% soft corridor
Inflation:	2.5%
Salary Increases:	3.50% to 11.5% including inflation
Investment Rate of Return:	6.75%
Retirement Age:	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2020

Texas Municipal Retirement System - Supplemental Death Benefits

Schedule of Changes in Total OPEB Liability and Related Ratios - SDBF

	December 31, 2017	December 31, 2018	December 31, 2019
Total OPEB Liability - SDBF			
Changes for the year:			
Service Cost	$ 46,680	$ 57,023	$ 49,011
Interest	33,578	34,935	44,513
Difference between expected and actual experience	-	145,354	(203,949)
Changes in assumptions or other inputs	89,076	(81,348)	214,351
Benefit payments*	(7,182)	(7,603)	(7,540)
Net changes	162,152	148,361	96,386
Total OPEB Liability - SDBF - Beginning	868,565	1,030,717	1,179,078
Total OPEB Liability - SDBF - Ending	$ 1,030,717	$ 1,179,078	$ 1,275,464
Covered Payroll	35,907,541	38,015,147	37,701,084
Total OPEB Liability - SDBF as a Percentage of Covered Payroll	2.87%	3.10%	3.38%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 3 years are included and additional years will be added as the information becomes available.

Schedule of Contributions - SDBF
Last 10 Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020
Actuarially Determined Contribution	$ 57,222	$ 56,361	$ 65,265
Contributions in relation to the actuarially determined contribution	57,222	56,361	65,265
Contribution deficiency (excess)	-	-	-
Covered Payroll	$ 37,541,117	$ 37,574,173	$ 41,396,691
Contribtions as a Percentage of Covered Employee Payroll	0.15%	0.15%	0.16%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 3 years are included and additional years will be added as the information becomes available.

Notes to Schedule of Contributions

Valuation Date:

Notes:	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Summary of Actuarial Assumptions:

Inflation:	2.5%
Salary Increases:	3.50% to 11.5% including inflation
Discount Rate:	2.75%*
Retirees' Share of Benefit-Related Costs:	$0
Administrative Expenses:	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates – Service Retirees:	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on fully generational basis with scale UMP.
Mortality Rates – Disabled Retirees:	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who became disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Other Information:

Notes	No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Note: The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF MANSFIELD, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED

SEPTEMBER 30, 2020

Retiree Health Insurance Plan - Trust

Schedule of Changes in the City's Net OPEB Liability
Last 10 Fiscal Years (will ultimately be displayed)

	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability			
Service cost	$ 532,526	$ 568,220	$ 607,995
Interest cost (on the total OPEB liability)	3,214,381	3,333,223	4,048,664
Difference between expected and actual experience	(1,436,903)	8,760,461	5,583,748
Changes in assumptions			(1,186,827)
Benefit payments	(353,235)	(2,441,311)	(2,628,940)
Net change	1,956,769	10,220,593	6,424,640
Total OPEB liability - beginning	46,815,334	48,772,103	58,992,696
Total OPEB liability - ending (a)	48,772,103	58,992,696	65,417,336
Net Position			
City contributions	1,848,035	7,261,311	2,628,940
Net investment income	571,467	959,456	764,088
Benefit payments	(353,235)	(2,441,311)	(2,628,940)
Administrative expenses	(56,673)	(66,652)	(80,301)
Net change	2,009,594	5,712,804	683,787
Net position - beginning	9,254,229	11,263,823	16,976,627
Net position - ending (b)	11,263,823	16,976,627	17,660,414
Net OPEB Liability (a-b)	37,508,280	42,016,069	47,756,922
Net position as a percentage of total OPEB liability	23.1%	28.8%	27.0%
Covered payroll	$ 36,940,838	$37,717,964	$40,045,739
Net OPEB liability as a percentage of covered payroll	101.5%	111.4%	119.3%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 3 years are included and additional years will be added as the information becomes available.

Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

	September 30, 2018	September 30, 2019	September 30, 2020
Actual contributions paid into plan trust	$ 1,494,800	$ 4,820,000	$ 2,410,000
Contributions in relation to the actuarially determined contribution	1,494,800	4,820,000	2,410,000
Contribution deficiency (excess)	-	-	-
Covered payroll	$ 36,940,838	$ 37,717,964	$ 41,396,691
Contribtions as a Percentage of Covered Employee Payroll	4.05%	12.78%	5.82%

Note: GASB 75 requires 10 years of data to be provided in this schedule. As of September 30, 2020, only 3 years are included and additional years will be added as the information becomes available.

The NOL in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Actuarial method	Entry Age Normal
Discount rate	7.0% per annum. The plan is funded in an irrevocable trust maintained by the plan sponsor. The City has, on average, made contributions the last five years that, if continued in this fashion, the plan will always be sufficiently funded to pay benefits due.
Inflation	2.5% per annum
Mortality	RPI-2012 Total Dataset Mortality Table with Improvement Scale MP-2019.
Marriage Assumptions	3-year spouse age difference with females assumed 3 years younger than males. 25% of participants eligible for future post-employment benefits are assumed to have an eligible spouse electing to receive plan benefits. For retired members, we have used actual marital status, as provided, and assumed all such spouses are receiving plan benefits.
Health-care cost trend rates	7% in year 1 graded downward ½% per year to 4.5% in year 6 & later
Post-65 premium reductions	It is assumed that employer-subsidized premiums will be reduced by two-thirds after age 65 due to Medicare eligibility.
Assumed utilization	75% of eligible future retirees are assumed to elect plan benefits
Changes in assumptions	We have changed the mortality table from the RP-2014 Mortality Table to the RPI-2012 Total Dataset Mortality Table per external auditors" request. We have also changed the mortality table improvement scale from MP-2018 to MP-2019.

Retirement Rate

Attained Age	Rates per 100 Participants
50	3.00
51-54	1.50
55-57	7.50
58-59	10.00
60	25.00
61-64	10.00
65	100.00

Withdrawal Rate

Attained Age	Rates per 100 Participants
25	19.50
30	18.80
35	17.68
40	15.90
45	13.42
50	9.74
55	5.18

Other Information:

Notes Assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
Schedule of Investment Returns - OPEB
Last 10 Years*

Plan Year	Annual Money-Weighted Rate of Return
2017	5.1%
2018	6.5%
2019	4.0%

* The information in this schedule has been determined as of the measurement date (June 30) of the City's net OPEB liability and is intended to show information for 10 years, However, until a full 10-year trend is compiled in accordance with the provision, only periods for which such information is available are presented.

Required Supplementary Information - Unaudited

City of Mansfield, Texas
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget - Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Taxes:				
Property	$ 39,607,046	$ 39,607,046	$ 38,318,201	$ (1,288,845)
Sales	12,971,783	12,971,783	13,621,422	649,639
Franchise	3,368,010	3,368,010	3,950,172	582,162
Mixed drink	196,092	196,092	180,563	(15,529)
Licenses and permits	2,191,069	2,191,069	2,673,226	482,157
Charges for services	4,809,317	4,809,317	7,292,387	2,483,070
Fines	1,738,408	1,738,408	1,329,253	(409,155)
Interest earnings	518,726	518,726	248,646	(270,080)
Intergovernmental	360,058	360,058	3,349,555	2,989,497
Miscellaneous	534,402	534,402	1,250,379	715,977
Total revenues	66,294,911	66,294,911	72,213,804	5,918,893
EXPENDITURES				
Current:				
General Government:	19,190,082	19,190,082	18,791,681	398,401
Public safety	35,290,597	35,290,597	39,344,907	(4,054,310)
Public works	5,279,855	5,279,855	4,238,179	1,041,676
Culture and recreation	4,733,179	4,733,179	4,288,073	445,106
Equipment	-	-	254,043	(254,043)
Total expenditures	64,493,713	64,493,713	66,916,883	(2,423,170)
Excess of expenditures over revenues	1,801,198	1,801,198	5,296,921	3,495,723
OTHER FINANCING SOURCES (USES)				
Transfers in	1,905,711	1,905,711	2,411,696	505,985
Transfers out	(3,753,658)	(3,753,658)	(2,930,624)	823,034
Sale of city property	46,749	46,749	-	(46,749)
Total other financing sources and uses	(1,801,198)	(1,801,198)	(518,928)	1,282,270
Net change in fund balances	-	-	4,777,993	4,777,993
Fund balances - beginning	17,409,306	17,409,306	17,409,306	-
Fund balances - ending	$ 17,409,306	$ 17,409,306	$ 22,187,299	$ 4,777,993

See accompanying notes to required supplementary information.

CITY OF MANSFIELD, TEXAS

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION – GENERAL FUND

SEPTEMBER 30, 2020

Stewardship, compliance, and accountability

Budgetary information

As set forth in the City Charter, the City Council adopts an annual budget prepared in accordance with GAAP. The City Manager may transfer part or all of any unencumbered appropriation balance among programs within a specific fund; however, any revisions that alter the total expenditures of the fund must be approved by the City Council. The City, for management purposes, adopts budgets for all funds except Special Revenue, Trust and Agency, and Capital Projects, which the use of these funds is legally restricted for a designated purpose. Legal budgets are adopted for the General Fund and the Debt Service Funds; the legal level of control is the fund level.

The City is prohibited from deficit spending as defined by the City's Charter. The City's General Fund fund balance as of September 30, 2020 is $22,187,299.

The Capital Projects are funded through the issuance of general obligation debt authorized for a specific purpose. Trust Funds are restricted by legal authorization, which created the trust. Agency Funds are used to account for assets held for other funds, governments, or individuals and are custodial in nature.

All unused appropriations, except appropriations for capital expenditures, lapse at the close of the fiscal year to the extent they have not been expended or encumbered. An appropriation for a capital expenditure shall continue in force until the purpose for which it was made has been accomplished or abandoned; the purpose of any such appropriation shall be deemed abandoned if three (3) years pass without any disbursement from or encumbrance of the appropriation. Revenues in the general fund were more than budget by $5,918,893 and expenditures were more than budget by $2,423,170, which was offset by other financing sources (uses), which were less than budget by $1,282,270.

Supplementary Information

Non-major Governmental Funds

Special Revenue Funds

- PID #1 – This fund is used to account for the public improvement assessments of the South Pointe Public Improvement District.

Other Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to be expended for particular purposes. The following funds are combined into a single column for reporting purposes.

- Grants Fund – This fund is used to account for contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.
- COPS Grant Fund – This fund is used to account for the purchase of equipment used to reduce crime and improve public safety.
- Police Fund – This fund is used to account for contributions or drug forfeitures that are restricted to expenditure for police drug enforcement or the operations of the specific activity receiving the donation.
- Mansfield Municipal Court Fund – This fund is used to account for revenues that are restricted to promote child safety awareness in the community and to provide a safe and secure courtroom environment for all court participants.
- Hotel/Motel Tax Fund – This fund is used to account for Hotel/Motel tax revenues that are restricted to expenditure for the promotion of tourism, historical preservation, and the performing arts in the City.
- Tree Mitigation Fund – This fund is used to account for revenues that are restricted to expenditure for the preservation of trees and tree replacement in the City.
- Library Fund – This fund is used to account for contributions or gifts from individuals to be used or expended for Library operations, primarily for the purchase of books.
- Animal Control – This fund is used to account for contributions to be used for special medical needs and spaying/neutering assistance for adoptable animals.

Debt Service Fund

Mansfield Parks Facility Development Corporation Debt Service – This fund is used to account for the principal and interest payments on the MPFDC outstanding bonds.

Capital Projects Funds

Equipment Replacement Fund – This fund is used to account for the acquisition of vehicles, machinery, and equipment for use by City departments.

Parks Construction Fund – This fund is used to account for the construction of new parks within the City.

TIRZ #2 Fund – This fund is used to account for the revitalization of the City’s Historic Downtown.

City of Mansfield, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2020

	Special Revenue			Debt Service	Capital Projects				
	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
ASSETS									
Cash, cash equivalents and investments	$ 6,271,325	$ 12,294	$ 6,283,619	$ 515,464	$ 389,497	$ 4,295,381	$ 66,306	$ 4,751,184	$ 11,550,267
Accounts receivable, net	130,926	1,532	132,458	-	-	-	-	-	132,458
Total assets	$ 6,402,251	$ 13,826	$ 6,416,077	$ 515,464	$ 389,497	$ 4,295,381	$ 66,306	$ 4,751,184	$ 11,682,725
LIABILITIES									
Accounts payable	$ 514,830	$ -	$ 514,830	$ 4,650	$ -	$ 48,133	$ -	$ 48,133	$ 567,613
Due to other funds	-	24,581	24,581	-	-	-	-	-	24,581
Accrued liabilities	-	1,532	1,532	-	-	-	-	-	1,532
Unearned revenue	311,919	-	311,919	-	-	-	-	-	311,919
Total liabilities	826,749	26,113	852,862	4,650	-	48,133	-	48,133	905,645
FUND BALANCES									
Restricted	5,373,125	-	5,373,125	510,814	389,497	4,247,248	66,306	4,703,051	10,586,990
Committed	202,377	-	202,377	-	-	-	-	-	202,377
Unassigned	-	(12,287)	(12,287)	-	-	-	-	-	(12,287)
Total fund balances	5,575,502	(12,287)	5,563,215	510,814	389,497	4,247,248	66,306	4,703,051	10,777,080
Total liabilities, deferred inflows of resources and fund balances	$ 6,402,251	$ 13,826	$ 6,416,077	$ 515,464	$ 389,497	$ 4,295,381	$ 66,306	$ 4,751,184	$ 11,682,725

City of Mansfield, Texas

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended September 30, 2020

	Special Revenue			Debt Service	Capital Projects				
	Other Special Revenue Funds	Southpointe PID	Total	MPFDC Debt Service	TIRZ #2	Equipment Replacement	Parks Construction	Total	Total Nonmajor Governmental Funds
REVENUE									
Taxes	$ 545,666	$ -	$ 545,666	$ 3,159,861	$ 645,625	$ -	$ -	$ 645,625	$ 4,351,152
Charges for services	-	284,516	284,516	-	-	-	-	-	284,516
Fines and forfeitures	128,059	-	128,059	-	-	-	-	-	128,059
Investment earnings	5,421	-	5,421	-	-	42	-	42	5,463
Intergovernmental	500,000	-	500,000	-	-	-	-	-	500,000
Contribution & donations	18,816	-	18,816	-	-	-	-	-	18,816
Miscellaneous	24,588	-	24,588	-	-	212,653	-	212,653	237,241
Total revenues	1,222,550	284,516	1,507,066	3,159,861	645,625	212,695	-	858,320	5,525,247
EXPENDITURES									
Current:									
General government	1,033,637	298,839	1,332,476	-	-	148,015	-	148,015	1,480,491
Culture and recreation	-	-	-	-	-	-	-	-	-
Public safety	107,406	-	107,406	-	-	192,527	-	192,527	299,933
Debt service:									
Principal retirement	-	-	-	1,815,000	-	-	-	-	1,815,000
Interest	-	-	-	1,344,861	-	-	-	-	1,344,861
Fiscal charges	-	-	-	6,322	-	-	-	-	6,322
Bond issuance cost	32,171	-	32,171	-	-	34,596	-	34,596	66,767
Capital outlay:								-	
Improvements (not buildings)	-	-	-		-	-	-	-	-
Equipment	124,204	-	124,204		-	1,124,861	-	1,124,861	1,249,065
Total expenditures	1,297,418	298,839	1,596,257	3,166,183	-	1,499,999	-	1,499,999	6,262,439
Excess (deficiency) of revenues over (under) expenditures	(74,868)	(14,323)	(89,191)	(6,322)	645,625	(1,287,304)	-	(641,679)	(737,192)
OTHER FINANCING SOURCES (USES)									
Transfers in:									
Parks Construction	-	-	-	-	-	-	-	-	-
MPFDC	-	-	-	-	-	-	147,880	147,880	147,880
General Fund	-	-	-	-	-		-	-	-
Transfers out:									
Parks Construction	-	-	-	-	-	-	-	-	-
Sale of city property	2,993	-	2,993	-	-		-	-	2,993
Bonds issued	3,593,529	-	3,593,529	-	-	3,864,453	-	3,864,453	7,457,982
Premiums on bonds issued	203,362	-	203,362	-	-	218,693	-	218,693	422,055
Total other financing sources	3,799,884	-	3,799,884	-	-	4,083,146	147,880	4,231,026	8,030,910
Net change in fund balances	3,725,016	(14,323)	3,710,693	(6,322)	645,625	2,795,842	147,880	3,589,347	7,293,718
Fund balances beginning	1,850,486	2,036	1,852,522	517,136	(256,128)	1,451,406	(81,574)	1,113,704	3,483,362
Fund balances ending	$ 5,575,502	$ (12,287)	$ 5,563,215	$ 510,814	$ 389,497	$ 4,247,248	$ 66,306	$ 4,703,051	$ 10,777,080

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES AND OTHER FINANCING SOURCES				
Property taxes	$ 15,416,960	$ 15,416,960	$ 17,910,295	$ 2,493,335
Investment earnings	-	-	4,646	4,646
Other financing sources, net	-	-	84,672	84,672
Total revenues	15,416,960	15,416,960	17,999,613	2,582,653
EXPENDITURES				
Debt service:				
Principal	9,970,000	9,970,000	9,925,000	45,000
Interest	5,446,960	5,446,960	5,771,627	(324,667)
Fiscal charges	-	-	111,756	(111,756)
Total expenditures	15,416,960	15,416,960	15,808,383	(391,423)
Excess of revenues over expenditures	-	-	2,191,230	2,191,230
Net changes in fund balance	-	-	2,191,230	2,191,230
Fund balances beginning	1,697,691	1,697,691	1,697,691	-
Fund balances ending	$ 1,697,691	$ 1,697,691	$ 3,888,921	$ 2,191,230

Required Supplementary Information

City of Mansfield, Texas
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
Mansfield Parks Facilities Development Corporation Debt Service Fund
For the Year Ended September 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
REVENUES				
Sales taxes	$ 3,159,861	$ 3,159,861	$ 3,159,861	$ -
Total revenues	3,159,861	3,159,861	3,159,861	-
EXPENDITURES				
Debt service:				
Principal	1,815,000	1,815,000	1,815,000	-
Interest	1,344,861	1,344,861	1,344,861	-
Fiscal charges	-	-	6,322	(6,322)
Total expenditures	3,159,861	3,159,861	3,166,183	(6,322)
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,322)	(6,322)
Fund balances beginning	517,136	517,136	517,136	-
Fund balances ending	$ 517,136	$ 517,136	$ 510,814	$ (6,322)

City of Mansfield, Texas
Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended September 30, 2020

	Beginning	Additions	Deletions	Ending
ASSETS				
Cash and cash equivalents	$ 3,781,949	$ 23,136,027	$ 18,813,916	$ 8,104,060
Total Assets	$ 3,781,949	$ 23,136,027	$ 18,813,916	$ 8,104,060
LIABILITIES				
Insurance Payable	$ 3,781,949	$ 23,136,027	$ 18,813,916	$ 8,104,060
Total Liabilities	$ 3,781,949	$ 23,136,027	$ 18,813,916	$ 8,104,060

MANSFIELD ECONOMIC DEVELOPMENT CORPORATION

City of Mansfield, Texas
Balance Sheet
Mansfield Economic Development Corporation
As of September 30, 2020

ASSETS		
Cash and investments	$	4,574,782
Receivables (net of allowance for uncollectibles)		1,255,886
Restricted cash and investments		5,118,546
Total assets	$	10,949,214
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	$	356,349
Accrued liabilities		94,355
Total liabilities		450,704
DEFERRED INFLOWS OF RESOURCES		
Unavailable sales taxes	$	709,874
Total deferred inflows of resources		709,874
Fund balances:		
Reserved for capital projects	$	5,118,546
Unreserved, undesignated		4,670,090
Total fund balances		9,788,636
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		29,789,515
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		709,874
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension and OPEB contributions, deferred investment losses, deferred charges on refunding, deferred assumption changes, and deferred actuarial experience		217,371
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(24,972,308)
Deferred inflows of resources represent a return of net position that applies to future periods and will not be recognized as an inflow unitl then. Deferred inflows are deferred assumption changes, deferred investment gains, and deferred actuarial experience.		(46,559)
Net position of governmental activities	$	15,486,529

City of Mansfield, Texas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
September 30, 2020

REVENUES		
Sales taxes	$	6,810,710
Interest		40,409
Total revenues		6,851,119
EXPENDITURES		
Current:		
Administration		2,748,694
Projects		239,770
Debt service:		
Principal		1,740,000
Interest		911,126
Bond issuance cost		2,674
Capital outlay		1,856,132
Total expenditures		7,498,396
Excess (deficiency) of revenues over (under) expenditures		(647,277)
Fund balance beginning		10,435,913
Fund balance ending	$	9,788,636

City of Mansfield, Texas
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances
Mansfield Economic Development Corporation
to the Statement of Activities
For the Year Ended September 30, 2020

Amounts reported for the MEDC in the statement of activities are different because:

Net change in fund balances MEDC	$	(647,277)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		1,853,072
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		709,874
Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow until then. Deferred outflows are deferred pension contributions, deferred OPEB contributions, deferred investment losses, deferred assumption changes, deferred actuarial experience, and deferred loss on refunding		(86,891)
The issuance of long-term debt (e.g., bonds, leases), if any, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the treatment of long-term debt and related items. Also, included is net pension liability which is the difference in Total Pension Liabilty less the Plan Fiduciary Net Position.		1,704,343
Deferred inflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an inflow until then. Deferred inflows are deferred assumption changes, deferred investment gains and deferred actuarial experience.		(2,575)
Changes in net position of governmental activities	$	3,530,546

CITY OF MANSFIELD, TEXAS

STATISTICAL SECTION

SEPTEMBER 30, 2020

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends Page 109– 115

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity Page 116 – 119

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.

Debt Capacity Page 120 – 124

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information Page 125 – 126

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities take place.

Operating Information Page 127 – 129

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services that the City provides and the activities it performs.

City of Mansfield, Texas
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Net investment in capital assets	$ 225,083	$ 225,017	$ 211,270	$ 210,130	$ 221,995	$ 230,900	$ 238,473	$ 247,102	$ 255,293	$ 291,726
Restricted	619	490	15,520	29,294	33,782	36,146	32,960	36,286	37,150	27,154
Unrestricted	7,953	9,275	7,967	8,589	1,555	1,906	1,405	(20,591)	(25,556)	(25,826)
Total governmental activities net position	$ 233,655	$ 234,782	$ 234,757	$ 248,013	$ 257,332	$ 268,952	$ 272,838	$ 262,797	$ 266,887	$ 293,054
Business-type activities:										
Net investment in capital assets	$ 112,164	$ 115,837	$ 105,677	$ 119,190	$ 132,273	$ 135,623	$ 144,313	$ 155,722	$ 164,254	$ 186,573
Restricted	4,331	4,320	18,108	12,548	12,817	16,516	12,842	13,198	13,690	16,048
Unrestricted	17,657	20,683	24,992	21,833	13,375	18,249	23,136	16,396	20,114	17,735
Total business-type activities net position	$ 134,152	$ 140,840	$ 148,777	$ 153,571	$ 158,465	$ 170,388	$ 180,291	$ 185,316	$ 198,058	$ 220,356
Primary government:										
Net investment in capital assets	$ 337,247	$ 340,854	$ 316,947	$ 329,320	$ 354,268	$ 366,523	$ 382,786	$ 402,824	$ 419,547	$ 478,299
Restricted	4,950	4,810	33,628	41,842	46,599	52,662	45,802	49,484	50,840	43,202
Unrestricted	25,610	29,958	32,959	30,422	14,930	20,155	24,541	(4,195)	(5,442)	(8,091)
Total primary government net position	$ 367,807	$ 375,622	$ 383,534	$ 401,584	$ 415,797	$ 439,340	$ 453,129	$ 448,113	$ 464,945	$ 513,410

City of Mansfield, Texas
Changes in Net Position of Governmental and Business Type Activities
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	$ 6,196	$ 6,686	$ 8,397	$ 10,759	$ 11,647	$ 11,753	$ 14,433	$ 18,218	$ 19,298	$ 23,087
Public safety	21,539	22,640	24,725	26,458	28,058	30,909	31,997	34,407	40,253	44,183
Public works	14,579	15,115	14,852	13,682	13,765	15,017	15,237	15,647	20,481	17,310
Culture and recreation	7,762	8,488	8,281	8,529	8,268	9,500	10,348	10,105	12,249	11,983
Interest on long-term debt	5,138	4,461	4,317	4,505	4,844	5,345	6,345	6,568	6,904	7,053
Total governmental activities expenses	$ 55,214	$ 57,390	$ 60,572	$ 63,933	$ 66,582	$ 72,524	$ 78,360	$ 84,945	$ 99,185	$ 103,616
Business-type activities:										
Water	13,112	14,441	15,838	17,308	17,431	18,394	19,714	21,169	21,020	22,512
Sewer	5,246	6,112	4,913	5,730	6,120	6,915	6,935	7,984	8,834	8,450
Law enforcement center	8,373	8,712	9,836	10,070	10,357	10,882	11,886	11,510	7,479	5,266
Drainage	863	752	1,103	1,371	1,150	1,155	1,210	1,341	1,381	1,491
Total business-type activities expenses	27,594	30,017	31,690	34,479	35,058	37,346	39,745	42,004	38,714	37,719
Total primary government expenses	$ 82,808	$ 87,407	$ 92,262	$ 98,412	$ 101,640	$ 109,870	$ 118,105	$ 126,949	$ 137,899	$ 141,335
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 4,263	$ 4,627	$ 4,993	$ 4,712	$ 5,104	$ 5,681	$ 5,485	$ 6,553	$ 7,130	$ 8,390
Public safety	2,325	2,394	2,789	3,278	3,606	3,325	3,547	3,408	3,528	3,349
Public works	1,061	1,610	2,216	4,369	3,216	3,051	2,792	4,403	2,805	4,911
Culture and recreation	779	1,188	1,552	1,935	2,318	2,030	1,938	2,675	2,954	3,980
Operating grants and contributions	365	442	187	348	557	767	744	538	365	3,645
Capital grants and contributions	1,125	539	245	11,962	13,380	8,236	3,358	12,139	9,191	19,569
Total governmental activities program revenues	9,918	10,800	11,982	26,604	28,181	23,090	17,864	29,716	25,973	43,844
Business-type activities:										
Charges for services:										
Water	18,144	17,437	19,577	18,365	20,287	22,178	23,611	27,275	25,052	28,605
Sewer	8,250	8,220	8,601	9,267	9,790	10,864	11,533	12,581	12,806	13,339
Law enforcement center	6,697	8,025	9,322	10,114	9,577	10,422	11,450	12,915	7,114	6,020
Drainage	1,352	2,079	1,302	1,310	1,310	2,289	2,494	2,557	2,632	2,611
Operating grants and contributions	-	-	505	273	452	-	-	-	-	-
Capital grants and contributions	549	239	532	1,701	2,221	4,161	1,648	3,900	3,968	8,365
Total business-type activities program revenues	34,992	36,000	39,839	41,030	43,637	49,914	50,736	59,228	51,572	58,940
Total primary government program revenues	$ 44,910	$ 46,800	$ 51,821	$ 67,634	$ 71,818	$ 73,004	$ 68,600	$ 88,944	$ 77,545	$ 102,784

Net (expense) revenue:										
Governmental activities	$ (45,296)	$ (46,590)	$ (48,590)	$ (37,329)	$ (38,401)	$ (49,434)	$ (60,496)	$ (55,229)	$ (73,212)	$ (59,771)
Business-type activities	7,398	5,983	8,149	6,551	8,579	12,568	10,990	17,224	12,858	21,221
Total primary government net expense	$ (37,898)	$ (40,607)	$ (40,441)	$ (30,778)	$ (29,822)	$ (36,866)	$ (49,506)	$ (38,005)	$ (60,354)	$ (38,550)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	$ 30,514	$ 30,823	$ 31,389	$ 33,244	$ 35,307	$ 38,341	$ 41,638	$ 46,358	$ 51,393	$ 58,969
Sales taxes	10,894	11,699	12,196	13,593	14,564	15,492	16,200	17,397	18,724	22,552
Franchise taxes	3,514	3,537	3,477	3,659	3,821	3,782	3,640	3,722	4,093	3,950
Mixed drink taxes	120	101	107	160	174	179	189	200	278	181
Hotel/motel taxes	419	508	551	651	717	754	755	746	725	546
Unrestricted investment earnings	4	16	32	24	27	114	230	600	1,119	463
Gas royalty income	1,249	541	788	722	24	9	238	179	157	95
Gain on sale of capital assets	34	36	250	17	(8)	1,659	(68)	17	52	-
Transfers	(558)	354	(226)	810	919	723	1,560	1,590	759	(819)
Total governmental activities	$ 46,190	$ 47,615	$ 48,564	$ 52,880	$ 55,545	$ 61,053	$ 64,382	$ 70,809	$ 77,300	$ 85,937
Business-type activities:										
Property taxes	571	571	473	-	-	-	63	-	-	-
Unrestricted investment earnings	4	24	43	22	17	80	171	386	643	258
Gain (loss) on sale of capital assets	-	-	(953)	-	-	-	-	(14)	-	-
Transfers	495	(354)	226	(810)	(919)	(723)	(1,322)	(1,590)	(759)	819
Total business-type activities	1,070	241	(211)	(788)	(902)	(643)	(1,088)	(1,218)	(116)	1,077
Total primary government	$ 47,260	$ 47,856	$ 48,353	$ 52,092	$ 54,643	$ 60,410	$ 63,294	$ 69,591	$ 77,184	$ 87,014
Change in Net Position:										
Governmental activities	$ 894	$ 1,025	$ (26)	$ 15,551	$ 17,144	$ 11,619	$ 3,886	$ 15,580	$ 4,088	$ 26,166
Business-type activities	8,468	6,224	7,938	5,763	7,677	11,925	9,902	16,006	12,742	22,298
Total primary government	$ 9,362	$ 7,249	$ 7,912	$ 21,314	$ 24,821	$ 23,544	$ 13,788	$ 31,586	$ 16,830	$ 48,464

City of Mansfield, Texas
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Drink Tax	Hotel/Motel Tax	Total
2011	30,514	10,894	3,514	120	419	45,461
2012	30,823	11,699	3,537	101	508	46,668
2013	31,389	12,196	3,477	107	551	47,720
2014	33,244	13,593	3,659	160	651	51,307
2015	35,307	14,564	3,821	174	717	54,583
2016	38,341	15,492	3,782	179	754	58,548
2017	41,700	16,200	3,640	189	755	62,484
2018	46,358	17,397	3,722	200	746	68,423
2019	51,393	18,724	4,093	278	725	75,213
2020	58,969	22,552	3,950	181	546	86,198

City of Mansfield, Texas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund:										
Reserved	$ -	$ -	$ -	$ -	$ -	$ 10	$ -	$ -	$ -	$ -
Nonspendable	5	34	10	-	-	-	-	-	-	-
Assigned	-	650	-	-	-	-	-	-	201	-
Unassigned	9,027	9,887	10,594	11,657	12,020	13,067	14,476	17,029	17,208	22,187
Total general fund	$ 9,032	$ 10,571	$ 10,604	$ 11,657	$ 12,020	$ 13,077	$ 14,476	$ 17,029	$ 17,409	$ 22,187
All other governmental funds:										
Nonspendable	$ 61	$ 61	$ 61	$ 61	$ 61	$ 61	$ -	$ -	$ -	$ -
Restricted	16,789	16,838	15,176	28,068	32,473	28,663	30,914	36,244	37,961	58,698
Committed	3,224	3,273	2,691	3,219	3,709	9,996	4,086	4,240	3,257	2,199
Assigned	124	43	51	160	165	170	181	192	97	-
Unassigned	-	-	-	-	-	-	-	(369)	(337)	(12)
Total all other governmental funds	$ 20,198	$ 20,215	$ 17,979	$ 31,508	$ 36,408	$ 38,890	$ 35,181	$ 40,307	$ 40,978	$ 60,885

City of Mansfield, Texas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	$ 45,343	$ 46,546	$ 47,696	$ 51,372	$ 54,495	$ 58,351	$ 62,484	$ 68,403	$ 75,127	$ 83,920
Licenses and permits	2,830	2,264	1,982	1,988	2,037	2,188	1,975	2,489	2,411	2,763
Intergovernmental	220	387	131	302	348	688	648	414	1,792	3,850
Charges for services	3,165	3,723	4,594	4,769	5,058	5,178	5,772	8,189	7,357	9,114
Fines	1,561	1,746	2,645	2,305	2,552	2,106	1,973	1,872	1,880	1,457
Interest	4	16	32	24	27	113	230	600	1,119	463
Contributions and donations	57	54	56	6,546	209	79	44	114	110	70
Impact fees	1,509	1,267	1,777	1,935	2,291	2,164	2,495	3,285	2,950	4,835
Miscellaneous	327	1,365	1,299	3,728	2,294	2,420	1,487	1,165	1,105	1,527
Total revenues	$ 55,016	$ 57,368	$ 60,212	$ 72,969	$ 69,311	$ 73,287	$ 77,108	$ 86,531	$ 93,851	$ 107,999
Expenditures										
General government	5,519	5,991	7,507	10,461	11,627	11,413	12,976	16,815	17,090	20,272
Public safety	20,513	21,836	23,279	25,417	27,020	29,351	30,605	32,478	36,438	39,645
Public works	4,724	5,161	4,868	3,388	3,603	4,066	4,244	3,941	7,744	4,238
Culture and recreation	6,206	6,941	6,295	6,660	6,375	7,441	8,109	7,959	9,240	8,729
Capital outlay	6,141	10,138	13,738	18,037	21,075	38,211	39,520	24,872	18,604	16,125
Debt Service:										
Principal	7,200	7,950	7,875	8,680	8,255	15,055	9,855	10,645	11,210	11,740
Interest	5,057	4,581	4,362	4,348	4,553	6,996	6,121	6,476	7,064	7,116
Fiscal charges	16	600	176	154	708	17	20	13	26	118
Bond issuance cost	288	415	246	256	299	744	440	386	183	217
Total expenditures	55,664	63,613	68,346	77,401	83,515	113,294	111,890	103,585	107,599	108,200
Excess (deficiency) of revenues over (under) expenditures	(648)	(6,245)	(8,134)	(4,432)	(14,204)	(40,007)	(34,782)	(17,054)	(13,748)	(201)

Other Financing Sources										
Transfers-in	1,223	777	2,289	876	1,943	5,390	3,196	3,654	4,495	3,830
Transfers-out	(1,781)	(423)	(2,515)	(65)	(1,024)	(4,667)	(1,636)	(2,064)	(3,736)	(4,649)
Sale of city property	34	37	314	54	89	2,130	55	24	112	3
Operating Lease	373	-	-	-	-	-	-	-	-	-
Refunding bonds issued	9,730	10,850	7,080	6,710	11,700	17,305	-	-	-	4,475
Escrow for Current Refunding	-	-	-	-	-	-	-	-	-	(4,613)
Bonds issued	3,090	6,490	5,335	17,755	15,870	36,760	30,230	22,070	13,750	24,245
Premium on bonds issued	185	367	932	450	3,997	4,987	697	1,187	178	1,595
Discounts on bonds issued	(58)	(112)	(84)	(156)	(169)	(338)	(71)	(138)	-	-
Payment to refunded bond escrow agent	(9,749)	(10,185)	(7,420)	(6,610)	(12,940)	(18,025)	-	-	-	-
Total other financing sources (uses)	3,047	7,801	5,931	19,014	19,466	43,542	32,471	24,733	14,799	24,886
Net change in fund balances	$ 2,399	$ 1,556	$ (2,203)	$ 14,582	$ 5,262	$ 3,535	$ (2,311)	$ 7,679	$ 1,051	$ 24,685
Debt service as a percentage of non-capital expenditures	24.8%	23.4%	22.4%	21.9%	20.5%	29.4%	22.1%	21.8%	20.5%	20.5%

City of Mansfield, Texas
General Government Tax Revenue By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel/Motel Tax	Mixed Drink	Total
2011	30,514	10,894	3,515	300	120	45,343
2012	30,700	11,700	3,537	508	101	46,546
2013	31,365	12,196	3,477	551	107	47,696
2014	33,309	13,593	3,659	160	651	51,372
2015	35,219	14,564	3,821	717	174	54,495
2016	38,144	15,492	3,782	754	179	58,351
2017	41,700	16,200	3,640	755	189	62,484
2018	46,338	17,397	3,722	746	200	68,403
2019	51,307	18,724	4,093	725	278	75,127
2020	58,820	20,423	3,950	546	181	83,920

City of Mansfield, Texas

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended September 30	Estimated Market Value		Less:	Total Taxable	Total Direct
	Real Property	Personal Property	Tax-Exempt Property	Assessed Value	Tax Rate
2011	3,922,110,419	500,107,757	395,212,412	4,027,005,764	0.71
2012	4,366,636,631	510,514,153	480,454,086	4,396,696,698	0.71
2013	4,404,361,995	640,695,688	555,442,336	4,489,615,347	0.71
2014	4,512,982,547	632,347,276	494,913,889	4,650,415,934	0.71
2015	4,766,391,748	733,418,283	542,289,028	4,957,521,003	0.71
2016	4,978,279,317	722,052,786	413,405,008	5,286,927,095	0.71
2017	5,386,325,190	940,503,204	413,190,727	5,913,637,667	0.71
2018	5,985,329,622	1,033,151,952	430,183,043	6,588,298,531	0.71
2019	6,698,937,733	1,130,303,494	798,656,803	7,030,584,424	0.71
2020	7,591,510,413	1,474,090,850	1,080,091,317	7,985,509,946	0.71

Source: Tarrant Appraisal District, Johnson Appriasal District, and Ellis County Appraisal District

City of Mansfield, Texas

Property Tax Rates

Direct and Overlapping[1] Governments

Last Ten Fiscal Years

	City of Mansfield, Texas			Overlapping Rates							
				Counties[1]			School District				Total
Fiscal Year	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Special Districts	Direct and Overlapping Rates
2011	0.457	0.253	0.710	0.843	0.109	0.952	1.040	0.456	1.496	0.397	3.555
2012	0.454	0.256	0.710	0.816	0.161	0.977	1.040	0.500	1.540	0.397	3.624
2013	0.451	0.259	0.710	0.914	0.101	1.015	1.040	0.500	1.540	0.397	3.662
2014	0.463	0.248	0.710	0.937	0.112	1.049	1.040	0.487	1.527	0.397	3.683
2015	0.471	0.239	0.710	0.943	0.107	1.049	1.040	0.487	1.527	0.377	3.664
2016	0.468	0.242	0.710	0.945	0.107	1.052	1.040	0.470	1.510	0.397	3.669
2017	0.471	0.239	0.710	1.028	0.835	1.863	1.040	0.470	1.510	0.392	4.475
2018	0.474	0.236	0.710	0.960	0.086	1.046	1.040	0.500	1.540	0.384	3.680
2019	0.485	0.225	0.710	0.933	0.082	1.015	1.040	0.500	1.540	0.380	3.645
2020	0.478	0.232	0.710	0.894	0.054	0.948	0.970	0.490	1.460	0.383	3.502

[1] Overlapping rates are those of local and county governments that apply to property owners within the City of Mansfield, Texas. Not all overlapping rates apply to all City of Mansfield, Texas property owners (e.g., the rates for the special districts and counties apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district and county. The City of Mansfield, Texas is located within three separate counties, Tarrant, Johnson, and Ellis.)

Source:

Tarrant County Apprasial District

Ellis County Apprasial District

Johnson County Appraisal District

City of Mansfield, Texas
Principal Property Taxpayers
As of September 30, 2020
(amounts expressed in thousands)

	2020			2011		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Mouser Electronics	$ 168,042,798	1	2.10%			
Mid-America Apartments LP	70,500,000	2	0.88%			
WMCI Dallas VIII LLC	56,260,000	3	0.70%			
Mansfield KDC II & III LP Etal	55,246,968	4	0.69%	31,487,121	3	0.78%
Evolv AL LP	49,700,000	5	0.62%			
Oncor Electric Delivery Co LLC	48,454,442	6	0.61%	30,155,052	5	0.75%
WP Motg-Txmf Owner LLC	48,400,000	7	0.61%			
Regalia Mansfield Owner LLC	47,695,000	8	0.60%			
Steadfast Villagio LP	47,000,000	9	0.59%			
BREIT Steadfast MF Mansfield TX LP	43,600,000	10	0.55%			
XTO Energy Inc				63,295,140	1	1.57%
Broadstone at Lowe's Farm LLC				38,139,000	2	0.95%
Wal-Mart Stores Inc.				26,972,573	4	0.67%
Carrizo Oil & Gas				25,445,320	6	0.63%
CP Holding Etal				22,830,000	7	0.57%
Spyglass of Mansfield Ltd				21,000,000	8	0.52%
Waterview at Mansfield Inv LP				21,000,000	9	0.52%
Apartment Reit Towne Crossing				19,699,000	10	0.49%
Total	$ 634,899,208		7.95%	$ 300,023,206		7.45%

Source: Tarrant Appraisal District / Johnson Appraisal District

City of Mansfield, Texas
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Prior Years [1]	Total Collections to Date	Accumulated Deliquent Taxes	
		Amount	Percentage of Levy		Amount		Percentage of Levy
2011	30,380	30,093	99.06%	247	30,340	40	99.9%
2012	31,049	30,709	98.90%	297	31,006	43	99.9%
2013	31,578	31,353	99.29%	188	31,541	37	99.9%
2014	32,910	32,698	99.36%	169	32,867	43	99.9%
2015	34,735	34,642	99.73%	62	34,704	31	99.9%
2016	37,715	37,348	99.03%	295	37,643	72	99.8%
2017	42,579	41,412	97.26%	1,119	42,531	48	99.9%
2018	46,020	45,713	99.33%	231	45,944	76	99.8%
2019	48,715	48,320	99.19%	269	48,589	126	99.7%
2020	54,720	54,350	99.32%	-	54,350	370	99.3%

(1) - Information was not available from Tarrant Appraisal District for collections in subsequent years. Thus, the amount shown is actual delinquent property taxes collected during the fiscal year.

City of Mansfield, Texas

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Special Assessment Bonds	Water/Sewer Revenue Bonds	Drainage Utility Revenue Bonds	Certificate Obligation Bonds	Total Primary Government	Percentage of Personal Income[1]	Per Capita
2011	93,210	12,965	56,840	5,615	2,535	171,165	10.03%	2,955
2012	93,200	12,180	56,405	5,465	2,090	169,340	10.00%	2,945
2013	91,070	11,430	52,705	5,105	1,625	161,935	9.67%	2,848
2014	101,030	10,645	48,885	4,735	1,135	166,430	9.94%	2,928
2015[2]	119,774	9,784	45,874	4,377	1,467	181,276	9.88%	2,912
2016[2]	129,788	25,098	51,339	3,985	1,581	211,791	10.63%	3,132
2017[2]	136,095	33,170	46,155	3,970	630	220,020	10.86%	3,199
2018[2]	142,892	37,250	42,127	3,175	537	225,981	10.93%	3,220
2019[2]	144,417	37,735	37,970	487	2,752	223,361	8.22%	3,220
2020[2]	161,953	33,445	34,508	443	2,320	232,669	8.36%	3,071

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

[1] See the schedule of demographic and economic statistics on page 126 for personal income and population data.

[2] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	93,210	902	92,308	2.31%	1,566
2012	93,200	669	92,531	2.29%	1,609
2013	91,070	596	90,474	2.10%	1,574
2014	101,030	856	100,174	2.06%	1,742
2015[1]	119,774	726	119,048	2.28%	1,913
2016[1]	129,788	483	129,305	2.24%	2,044
2017[1]	136,095	623	135,472	2.16%	2,142
2018[1]	142,892	1,289	141,603	2.37%	2,239
2019[1]	144,417	1,698	142,719	2.00%	1,944
2020[1]	161,953	3,889	158,064	2.00%	2,086

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[1] Amount represents total outstanding debt net of premiums, discounts and adjustments

City of Mansfield, Texas
Direct and Overlapping Governmental Activities Debt
As of September 30, 2020
(amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Mansfield Independent School District	$ 895,789,829	44.49%	$ 398,536,895
Midlothian Independent School District	441,403,728	1.00%	4,414,037
Johnson County	21,340,000	4.41%	941,094
Ellis County	33,200,000	0.27%	89,640
Tarrant County	240,445,000	3.42%	8,223,219
Tarrant County Hospital District	16,135,000	3.42%	551,817
Tarrant County College District	264,175,000	3.42%	9,034,785
Subtotal, overlapping debt			421,791,487
City of Mansfield, Texas direct debt			152,745,000
Total direct and overlapping debt			$ 574,536,487

Sources:
FSC Disclosure Services (Division of Hilltop Securities)

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Mansfield, Texas. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

City of Mansfield, Texas
Legal Debt Margin Information
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Annual Debt Limit	$ 60,405,087	$ 65,950,450	$ 67,344,230	$ 69,756,239	$ 74,362,815	$ 79,303,906	$ 88,704,565	$ 98,824,478	$ 105,458,766	$ 119,782,649
Total net debt payment applicable to limit	12,825,195	13,101,663	12,957,138	13,604,515	12,115,455	12,597,832	13,876,442	14,695,211	15,185,666	15,756,312
Legal debt margin	$ 47,579,892	$ 52,848,787	$ 54,387,092	$ 56,151,724	$ 62,247,360	$ 66,706,074	$ 74,828,123	$ 84,129,267	$ 90,273,100	$ 104,026,337
Total net debt applicable to the limit as a percentage of debt limit	21.23%	19.87%	19.24%	19.50%	16.29%	15.89%	15.64%	14.87%	14.40%	13.15%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	$	7,985,509,946
Debt limit ($1.50 of assessed value)		119,782,649
Annual Debt Payments applicable to limit:		
General obligation bonds		15,756,312
Annual legal debt margin	$	104,026,337

The City Charter of the City of Mansfield, Texas and the statutes of the State of Texas do not prescribe a legal debt limit. However, Article XI, Section 5 of the Texas Constitution, applicable to cities of more than 5,000 population limits the ad valorem tax rate to $2.50 per $100 of assessed valuation. The Attorney General of the State of Texas has further defined the debt limit of applicable cities to be a $1.50 per $100 of assessed valuation.

City of Mansfield, Texas
Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

	Water and Sewer Revenue Bonds						Drainage Revenue Bonds					
Fiscal Year	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2011	26,398,502	12,445,314	13,953,188	3,600,000	2,711,369	2.21	1,354,035	484,436	869,599	295,000	254,890	1.58
2012	25,681,367	14,034,447	11,646,920	3,600,000	2,705,582	1.85	1,260,527	503,105	757,422	385,000	138,398	1.45
2013	28,220,877	14,288,287	13,932,590	3,700,000	2,611,729	2.21	1,807,772	797,607	1,010,165	360,000	165,670	1.92
2014	27,654,657	16,744,588	10,910,069	3,820,000	2,493,316	1.73	1,582,812	1,084,682	498,130	370,000	156,670	0.95
2015	30,093,927	17,096,059	12,997,868	4,095,000	2,183,331	2.07	1,761,901	863,088	898,813	375,000	147,370	1.72
2016	33,041,557	19,041,197	14,000,360	4,380,000	1,701,278	2.30	2,288,699	864,112	1,424,587	390,000	137,970	2.70
2017	35,144,144	20,050,464	15,093,680	4,020,000	2,039,234	2.49	2,494,146	922,507	1,571,639	400,000	128,170	2.98
2018	40,227,029	22,850,439	17,376,590	4,000,000	1,881,592	2.95	2,571,292	1,054,341	1,516,951	405,000	141,221	2.78
2019	38,477,901	23,563,181	14,914,720	3,875,000	1,711,534	2.67	2,655,137	1,083,807	1,571,330	420,000	107,770	2.98
2020	42,193,620	24,951,881	17,241,739	3,180,000	1,554,834	3.64	2,619,809	1,190,321	1,429,488	430,000	97,070	2.71

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements.
Charges and other include investment earnings. Operating expenses do not include interest or depreciation.

City of Mansfield, Texas
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2]	Median Age[2]	School Enrollment[3]	Unemployment Rate[4]
2011	56,850	1,505,296	26,478	31.80	32,638	6.5
2012	57,494	1,704,065	29,639	32.06	32,577	6.0
2013	60,374	1,784,305	29,554	32.30	32,732	4.9
2014	62,377	1,990,893	31,917	32.30	32,778	5.1
2015	64,688	2,064,653	31,917	32.30	33,394	5.1
2016	67,628	2,158,489	31,917	35.50	33,809	4.0
2017	68,784	2,456,809	35,718	35.20	33,809	4.5
2018	70,170	2,751,977	39,219	35.20	35,256	3.9
2019	73,410	2,717,953	37,024	36.20	35,256	3.2
2020	75,757	2,781,836	36,721	35.13	35,626	6.4

[1]Estimated Population - City's Planning Department - The City has revised its population estimates for the previous three years

[2]Mansfield Economic Development Corporation

[3]Mansfield Independent School District

[4]Texas Workforce Commission

City of Mansfield, Texas
Principal Employers
Current Year and Ten Years Ago

	2020			2011		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mansfield Independent School District	4,603	1	6.09%	2,900	1	5.10%
Mouser Electronics	2,100	2	2.78%	980	2	1.72%
Methodist Mansfield Medical Center	1,240	3	1.64%	713	3	1.25%
City of Mansfield, Texas	551	4	0.73%	503	5	0.88%
Klein Tools	460	5	0.61%	585	4	1.03%
Hoffman Cabinets	448	6	0.59%			
Walmart	400	7	0.53%	380	6	0.67%
Kroger	320	8	0.42%	250	8	0.44%
BCB Transport	268	9	0.35%			
SJ Louis Construction	265	10	0.35%			
Broad St Medical				237	9	0.42%
Solvay Engineered Polymers				300	7	0.53%
Kindred Hospital Mansfield				201	10	0.35%
	10,655		14.09%	7,049		12.39%

City of Mansfield, Texas

Full-Time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General Government	30	31	31	31	31	30	30	33	31	36
Public Safety:										
Police	113	115	121	126	129	132	134	141	145	145
Fire	81	83	83	83	83	83	86	89	95	102
Public Works	58	57	57	56	55	58	58	57	56	58
Culture and Recreation	56	55	55	63	65	65	68	68	71	76
Water and Sewer	52	52	52	51	51	51	53	54	54	55
Law Enforcement Center	114	109	109	111	111	111	111	105	70	72
Drainage Utility	3	3	3	3	3	3	4	5	5	7
Total	507	505	511	524	528	533	544	552	527	551

Source: City Budget Office

City of Mansfield, Texas
Operating Indicators by Function
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Police:										
Physical arrests	3,050	2,236	1,646	2,171	2,641	2,107	2,700	1,900	2,248	2,500
Accidents	837	837	909	861	820	936	1,210	1,635	2,640	2,750
Traffic violations	9,579	10,537	10,571	9,926	8,500	9,086	8,019	8,105	10,756	11,500
Fire:										
Number of calls answered	7,084	7,110	7,911	8,704	8,625	9,538	9,643	9,900	10,786	10,170
Inspections	2,305	2,850	2,008	2,850	3,125	3,100	2,917	3,062	3,376	3,477
Public Works:										
Street resurfacing (miles)	2.0	2.2	2.2	2.2	2.2	2.0	4.0	5.0	5.0	6.0
Asphalt overlays (square feet)	42,971	42,971	42,971	42,971	42,980	42,000	44,805	44,805	44,805	43,383
Culture and recreation:										
Sports association participants	7,235	7,445	7,235	7,770	7,950	7,950	7,950	7,400	7,400	7,350
MAC rentals	660	660	540	600	700	650	650	650	650	625
Water:										
New connections	255	343	419	333	465	485	484	588	448	454
Water main breaks	76	61	66	48	48	40	55	44	43	72
Average daily consumption (thousands of gallons)	11,793	11,944	10,667	9,278	9,657	9,994	9,994	9,994	10,881	13,437
Sewer:										
Average daily sewage treatment (thousands of gallons)	5,167	5,984	5,450	5,156	5,964	4,818	5,302	5,550	5,995	5,661
Public Safety:										
Police:										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol units	52	44	42	42	43	43	44	48	54	58
Fire stations	4	4	4	4	4	4	4	4	4	4

Public Works:										
Streets miles maintained	243	242	242	248	248	410	450	455	630	622
Miles of water and sewer lines	534	553	554	538	577	632	585	575	632	626
Calls for service	5,710	4,700	4,700	4,820	4,105	4,500	4,550	4,550	4,550	4,506
Culture and recreation:										
Parks acreage	760	738	738	830	830	858	883	892	910	917
Parks	13	13	13	14	15	16	16	17	17	18
Tennis courts	1	1	1	1	1	1	5	3	3	3
Community centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	287	292	296	292	310	325	330	341	341	337
Fire hydrants*	2,207	2,207	2,207	2,207	1,250	2,439	2,460	2,460	2,460	2,460
Maximum daily capacity (thousands of gallons)	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
Sewer:										
Sanitary sewer mains (miles)	257	261	261	264	267	307	314	314	291	289
Sewer lines repairs	23	23	64	26	25	25	17	23	21	20
Maximum daily treatment capacity (thousands of gallons)	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
Law Enforcement Center:										
Average Daily Inmate Population	213	192	242	410	365	378	400	390	240	240
Average Daily Meals Served	639	576	726	1,230	1,095	1,134	1,200	1,200	820	250
Drainage Utility: #										
Vegetation Control (acres)	-	56	56	56	56	114	114	114	114	120
Ditch & Channel Maintenance (miles)	-	11	13	13	13	13	2	2	2	2
Box Culverts Cleaned (feet)	-	10,072	10,072	10,072	10,500	10,500	40,715	55,000	60,000	65,000

Source: City Budget Office

(-) indicates that the information was not available.

*Updated 2008 GIS system.

- Implemented Fiscal Year 2012

CITY OF MANSFIELD, TEXAS

FEDERAL FINANCIAL ASSISTANCE

MANSFIELD
TEXAS

BKD
CPAs & Advisors

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Mansfield, Texas (City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 18, 2021, which contained an emphasis of matter paragraph regarding a restatement of the 2019 financial statements due to a correction of an error.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to the Finding

The City's response to the finding in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
March 18, 2021

BKD
CPAs & Advisors

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Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

The Honorable Mayor, City Council and City Manager
City of Mansfield, Texas

Report on Compliance for the Major Federal Program

We have audited the City of Mansfield, Texas' (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended September 30, 2020. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Dallas, Texas
March 18, 2021

City of Mansfield, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Pass-through Expenditures
U.S. Department of Justice				
Direct Program				
Bulletproof Vest Partnership Program	16.607		$ 7,806	-
Total Direct Program			7,806	-
Total U.S. Department of Justice			7,806	-
U.S. Department of the Treasury				
Passed through Tarrant County, Texas:				
Coronavirus Relief Fund	21.019		3,241,026	500,000
Total Passed through Tarrant, County Texas			3,241,026	500,000
Passed through Texas Department of Emergency Management:				
Coronavirus Relief Fund	21.019		59,232	-
Total Passed through Texas Department of Emergency Management			59,232	-
Total U.S. Department of the Treasury			3,300,258	500,000
Institute of Museum and Library Services				
Passed through Texas State and Library Archives Commission:				
Interlibrary Loan Program	45.310	LS-00-19-0044-19	3,060	-
Total Passed through Texas State and Library Archives Commission			3,060	-
Total Institute of Museum and Library Services			3,060	-
U.S. Department of Health and Human Services				
Direct Program:				
Provider Relief Fund	93.498		31,753	-
Total Direct Program			31,753	-
Total Institute of Museum and Library Services			31,753	-
U.S. Department of Homeland Security				
Passed through Texas A&M Engineering Extension Service				
Texas Task Force 1 Hanna Deployment	97.036	July Tropical Weather	6,004	-
Total Passed through Texas A&M Engineering Extension Service			6,004	-
Total U.S. Department of Homeland Security			6,004	-
Total Expenditures of Federal Awards			$ 3,348,882	$ 500,000

CITY OF MANSFIELD, TEXAS

NOTES ACCOUNTING POLICIES FOR FEDERAL AWARDS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1: GENERAL

The accompanying schedule of federal awards (Schedule) includes the federal award activity of the primary government of the City of Mansfield, Texas (City) under programs of the federal government for the year ended September 30, 2020. The City's reporting entity is defined in Note 1 in the City's basic financial statements for the year ended September 30, 2020.

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position/fund balance or cash flows of the City.

NOTE 2: BASIS OF ACCOUNTING

Governmental fund expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Proprietary fund expenses reported on the Schedule are reported on the accrual basis of accounting. The City's summary of significant accounting policies is presented in Note 1 to the City's basic financial statements for the year ended September 30, 2020. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs

Year Ended September, 30, 2020

Summary of Auditor's Results

Financial Statements

1. The type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:

   ■ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:

   Significant deficiency(ies)? ☐ Yes ■ None reported

   Material weakness(es)? ■ Yes ☐ No

3. Noncompliance considered material to the financial statements was disclosed by the audit?

   ☐ Yes ■ No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

   Significant deficiency(ies)? ☐ Yes ■ None reported

   Material weakness(es)? ☐ Yes ■ No

5. The opinion expressed in the independent auditor's report on compliance for major federal awards was:

   ■ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)?

   ☐ Yes ■ No

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs (Continued)

Year Ended September, 30, 2020

7. The City's major federal program was:

Cluster/Program	CFDA Number
COVID-19 - Coronavirus Relief Fund	21.019

8. The threshold used to distinguish between Type A and Type B program was $750,000.

9. The City qualified as a low-risk auditee?

☐ Yes ■ No

CITY OF MANSFIELD, TEXAS

Schedule of Findings and Questioned Costs (Continued)

Year Ended September, 30, 2020

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding

2020-001 **Criteria or Specific Requirement**

Management is responsible for the timely and accurate preparation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition: The City's financial statements required a prior period adjustment for proper financial statement presentation. The results of our test work indicated the City did not properly record the other postemployment benefit trust fund which is used to report assets held for beneficiaries to fund future postemployment benefits other than pensions.

Effect: The beginning net position of the 2019 fiduciary funds were restated in order to conform with GAAP.

Cause: Internal controls and review processes were not in place to ensure the financial activity of these plans was properly recorded in the annual financial statements.

Recommendation: Management should implement procedures to help ensure that controls are in place that will allow for the preparation of the financial statements in accordance with GAAP.

Views of Responsible Officials: We agree with the finding. See separate report for planned corrective actions.

Findings Required to be Reported by the Uniform Guidance

Reference Number	Finding

No matters are reportable.

CITY OF MANSFIELD, TEXAS

Summary Schedule of Prior Audit Findings

Year Ended September, 30, 2019

Reference Number	Finding

No matters are reportable.

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